Municipal Politics Gags Relief (Page 16)

THE FINANCIAL POST

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The Nation's Business

Businessmen and Trade Treaties

Aggressive Selling Is Needed

Hepburn Speaks of "Fraud" But Does Not Explain

Punitive Probes Into Business

Immigration Issue Is Raised

Following Up the Trade Treaties

THIS week Canada's official travelling salesman, Hon. W. D. Euler, returns after an arduous European trip which included visits to Germany and Russia as well as major trade discussions with British authorities.

Meanwhile, the Government at Ottawa has announced the extension of a trade pact with New Zealand until September, 1937; the consummation of treaties with both Uruguay and Poland and a temporary agreement with Brazil.

Thus Canada is rapidly extending or consolidating for a further period of years her trade relations with one after another of her important customers. And already for the first 7 months of 1936 her total exports have risen 22.8% and imports 13.9%.

In short, returning prosperity and a falling away from the intense nationalism of recent years are once more opening the way to a trade revival.

But such a revival, if it is to be of lasting benefit to Canada, can only be consolidated if Canadian manufacturers and producers are ready to swing into line with aggressive merchandising policies in foreign markets. Treaties may hatch trade but businessmen must nourish it.

This is a real job that will yield big dividends to many firms if properly and seriously tackled.

* * *

How Much Fraud Was There?

SPEAKING of the Ontario Government's campaign to collect succession duties "illegally" withheld from the Government, Premier Hepburn is reported as saying:

"We collected more from one estate than the figure at which it was originally valued. A clear case of fraud."

But of what did the fraud consist? Was there concealment of assets? Or did the executors merely conform to the practices and rulings sanctioned by some former Government? The answer to these questions would be pertinent.

There have been cases reported to The Financial Post of absurd demands for succession duty, plus penalties, in connection with items that were never intended to be dutiable. In one case, it is said that duties were collected on the value of the living expenses of a daughter who kept house for her father instead of marrying and setting up her own household; in another case, on the value of the tickets for a daughter who accompanied her father on a world cruise some time before his death; in still other cases on minor birthday and Christmas gifts.

* * *

IF THE Government was "defrauded," it must have been, in at least some of the cases, as a result of rulings and valuations made by former officers of the succession duties branch. In such cases the moral right of the present Government to make its brand-new rulings retroactive may be questioned. If it regarded the former rulings as a conspiracy against the law why does it not demonstrate its faith in that stand by prosecuting former succession duties officials for conspiracy to defraud the treasury? Even by prosecuting those guilty of plain cases of "fraud"?

The Ontario campaign is being conducted in the dark. The public has little data upon which to judge of the fairness of the effort to mulct estates of large sums. Most good citizens hope that the $30 millions of expected revenue from this source is coming from people who were so crooked that they have no sympathy coming to them. But unofficial evidence seems to suggest that, having primarily embarked upon a proper enough campaign to exterminate fraud in death taxes, the Government has gone to absurd extremes and has penalized many innocent people in a grossly unfair manner, has penalized them for assuming that the rulings they used to get from succession duties officials were to be relied upon.

* * *

MR. HEPBURN might discuss this phase of the matter in his next speech. The public ought to be reassured that his attack upon "fraud" is not, in part, mere corpse-skinning. It is hard to believe that our large trust companies have been a party to so much crookedness. It is just as hard to believe that executors and heirs could get away with so many millions under the hawk-like scrutiny of succession duties officials, learned in the ways of tax-dodgers.

* * *

Our Punitive Investigations

RECENTLY The Financial Post called attention to the large number of punitive investigations of

(Continued on page 2, col. 3)

Great Lakes Pays Interest On New Bonds

Paper Firm Decides to Pay April 1 Coupon

NEW BONDS READY

Interest due April 1 and Oct. 1, 1936, on Great Lakes Paper Co. bonds will be paid, The Financial Post is informed.

Since reorganization of the company was completed in May last there has been considerable doubt as to whether the interest coupons due April 1 and Oct. 1 would be met. The uncertainty was due to the fact that there was a strong feeling on the part of some members of the new board of directors that cash resources of the company should be conserved to allow free operations without bank borrowings. The company had to make large cash outlays in connection with the reorganization so that working capital of approximately $1 million was regarded by some directors as insufficient. On the other hand, non-payment meant default.

New Bonds Ready

The new bonds are now ready for delivery and interest due April 1 can be obtained on presentation of the new securities

The National Trust Co. has advised holders of bonds and of certificates of deposit that the new bonds to which they are entitled can be obtained on surrender of the old bonds to the National Trust Co., Toronto, or by the surrender of certificates of deposit to either the National Trust Co., Toronto, or the Northern Trust Co., Chicago. The new 5% bonds are in bearer form with privilege of registration as to principal only.

On securing their new securities, bondholders may obtain payment of the April 1 interest on presentation of the coupons to any branch of the Dominion Bank in Canada or New York, or the Continental Illinois National Bank and Trust Co., Chicago.

Power Corp. Records Gain

Market Value of Holdings Up $4 Millions—Income About the Same

From Our Own Correspondent

MONTREAL.—An appreciation in the market value of the company's investment portfolio of over $4 millions and a slight gain in gross earnings will feature Power Corp. of Canada's financial statement for the year ended June 30, 1936.

At the close of the last fiscal year on June 30, 1935, Power Corp.'s investments had a book value just short of $27.4 millions, as against a market value of $23.7 millions. The 1936 statement is expected to show a market value of nearly $28 millions, which would place a value on the common stock of around $16 a share.

In view of the company's indirect interest in the mining industry through control of Canada Northern Power Corp., which serves mining districts of Ontario and Quebec, it was felt desirable the company should take some interest in helping in the development of this industry. As a result the company acquired an interest in the shares of a few mining properties, which shares have a book value of $1 and a market value of well over $1 million.

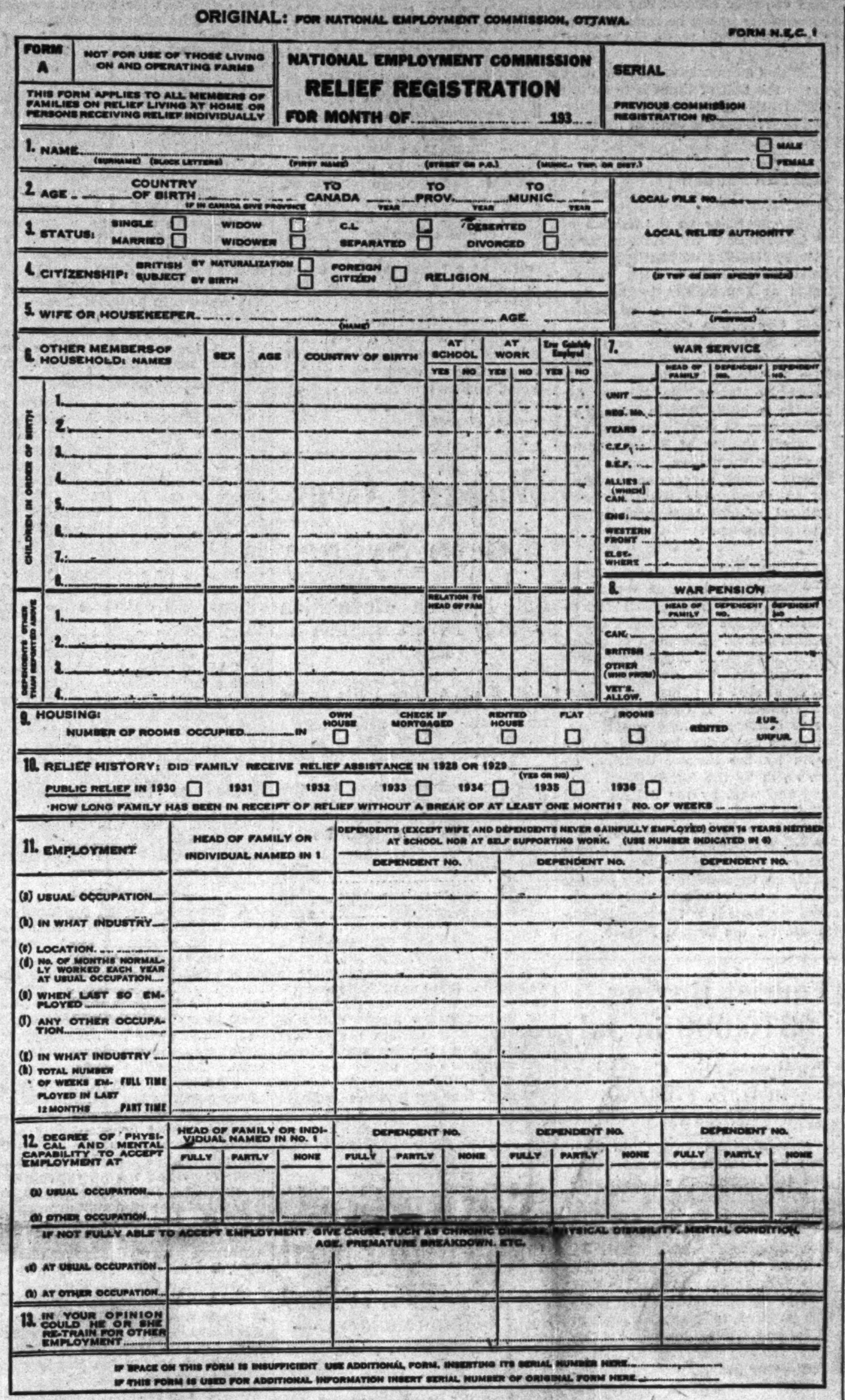
Gross earnings for the year past are expected to approximate $1,576,000, as compared with $1,542,587 in the 1935 fiscal year. Net will approximate $1,309,000, or about $20,000 better than that shown in the preceding report. On this basis there will be available for distribution on the common stock approximately $200,000, or about 40 cents a share.

Canadian Car Gives Peto Higher Executive Post

From Our Own Correspondent

MONTREAL.—L. A. Peto, formerly vice-president, comptroller and treasurer of Canadian Car and Foundry Co., has been appointed vice-president and general manager of the company.

P. C. McLachlan, chief accountant is his successor.



ORIGINAL: FOR NATIONAL EMPLOYMENT COMMISSION, OTTAWA. FORM N.E.C. 1

FORM A — NOT FOR USE OF THOSE LIVING ON AND OPERATING FARMS

THIS FORM APPLIES TO ALL MEMBERS OF FAMILIES ON RELIEF LIVING AT HOME OR PERSONS RECEIVING RELIEF INDIVIDUALLY

NATIONAL EMPLOYMENT COMMISSION RELIEF REGISTRATION FOR MONTH OF ....193...

SERIAL

PREVIOUS COMMISSION REGISTRATION NO.

1. NAME — MALE / FEMALE
2. AGE — COUNTRY OF BIRTH — TO CANADA — TO PROV. — TO MUNIC. — YEAR — LOCAL FILE NO.
3. STATUS: SINGLE, MARRIED, WIDOW, WIDOWER, C.L., SEPARATED, DESERTED, DIVORCED — LOCAL RELIEF AUTHORITY
4. CITIZENSHIP: BRITISH SUBJECT BY NATURALIZATION, BY BIRTH; FOREIGN CITIZEN; RELIGION
5. WIFE OR HOUSEKEEPER — AGE
6. OTHER MEMBERS OF HOUSEHOLD: NAMES — SEX — AGE — COUNTRY OF BIRTH — AT SCHOOL — AT WORK
7. WAR SERVICE
8. WAR PENSION
9. HOUSING: NUMBER OF ROOMS OCCUPIED — OWN HOUSE — CHECK IF MORTGAGED — RENTED HOUSE — FLAT — ROOMS — RENTED
10. RELIEF HISTORY: DID FAMILY RECEIVE RELIEF ASSISTANCE IN 1928 OR 1929 — PUBLIC RELIEF IN 1930, 1931, 1932, 1933, 1934, 1935, 1936 — HOW LONG FAMILY HAS BEEN IN RECEIPT OF RELIEF WITHOUT A BREAK OF AT LEAST ONE MONTH? NO. OF WEEKS
11. EMPLOYMENT — HEAD OF FAMILY OR INDIVIDUAL NAMED IN 1 — DEPENDENT NO. — (a) USUAL OCCUPATION (b) IN WHAT INDUSTRY (c) LOCATION (d) NO. OF MONTHS NORMALLY WORKED EACH YEAR AT USUAL OCCUPATION (e) WHEN LAST SO EMPLOYED (f) ANY OTHER OCCUPATION (g) IN WHAT INDUSTRY (h) TOTAL NUMBER OF WEEKS EMPLOYED IN LAST 12 MONTHS — FULL TIME — PART TIME
12. DEGREE OF PHYSICAL AND MENTAL CAPABILITY TO ACCEPT EMPLOYMENT AT — FULLY — PARTLY — NONE — (a) USUAL OCCUPATION (b) OTHER OCCUPATION — IF NOT FULLY ABLE TO ACCEPT EMPLOYMENT GIVE CAUSE, SUCH AS CHRONIC ... PHYSICAL DISABILITY, MENTAL CONDITION, AGE, PREMATURE BREAKDOWN, ETC. — (a) AT USUAL OCCUPATION (b) AT OTHER OCCUPATION
13. IN YOUR OPINION COULD HE OR SHE RE-TRAIN FOR OTHER EMPLOYMENT

IF SPACE ON THIS FORM IS INSUFFICIENT USE ADDITIONAL FORM, INSERTING ITS SERIAL NUMBER HERE........

IF THIS FORM IS USED FOR ADDITIONAL INFORMATION INSERT SERIAL NUMBER OF ORIGINAL FORM HERE........

A FORMIDABLE DOCUMENT

When a tabulation is made of all those receiving direct relief in Canada next month considerable will be known of the status of everyone unemployed. Here is the form that will be filled out by the census takers. Another form will be used for those living on farms. Registration will start Sept. 1.

250,000 in Arid Areas Need Federal Assistance

Arrangements Are Being Worked Out to Give Government Aid

OTTAWA ACTS

From Our Own Correspondent

OTTAWA.—The Federal Government and representatives of Alberta and Saskatchewan have reached agreement on the assistance to be given to the drought-stricken areas of the West. The details are being worked out in a series of departmental conferences, and will be announced shortly.

The broad terms of the assistance which will be financed by the help of the Federal Government are as follows:

Free movement of feed to areas where it is lacking.

Free movement of cattle to areas where feed is plentiful, within the province. The railway companies are co-operating by reduction of rates and the Federal Government is paying the balance. Wherever feed can be shipped by local transport trucks, etc. this will be done, since this will save the substantial cost of baling.

Reduced rates on movement of live cattle to the east for wintering. The Federal Government will pay,

(Continued on page 2 col. 6)

Lake Carriers Facing Losses

From Our Own Correspondent

FORT WILLIAM.—In spite of efforts of lake carriers to agree on maintaining higher rates, 3½ cents a bushel from the head of the lakes to Montreal is the prevailing rate. This compares with the 6-cent basis which is usually considered necessary for remunerative operation of lake vessels. The situation is entirely due to competition among Canadian vessels, both for purely Canadian movement and for Buffalo shipments. U. S. boats are finding more remunerative traffic in ore and other commodities.

With the small crop produced in western Canada this year, and with so large a proportion of the Canadian carryover stored in the east, carriers anticipate small business for the remainder of the season, and there is keen competition for every bushel.

Canada Cement To Call Bonds

New Issue to be Repayable in Canadian Funds

From Our Own Correspondent

MONTREAL.—Directors of Canada Cement Co. have decided to recommend to shareholders refunding of the outstanding 5½% bonds of the company. A special meeting has been called for September 25 next to consider the proposal.

The present bonds, of which there are less than $17 millions in the hands of the public, are payable in sterling, New York and Canadian funds. They were issued in November, 1927, and mature in 1947. The bonds are callable at 104. It is proposed to replace these bonds by a new issue payable only in Canadian funds and carrying a lower coupon rate.

City of Ottawa To Issue Scrip

But It Will Not Be Like Alberta's Venture

From Our Own Correspondent

OTTAWA.—The city of Ottawa will begin next week a preliminary issue of scrip for relief purposes. By September 15 it is proposed to use this method of relief for all purposes except rent and medical services.

The scrip differs from the Alberta variety in not requiring stamps. It really consists of the promissory note of the city issued with assurance to tradesmen that it will be redeemed by the city for cash on demand.

A million pieces were ordered from an Ottawa engraving firm. The scrip will be in 6 denominations, 5, 10, 25 and 50 cents, $1 and $2.

The preliminary issue is to permit parents to buy shoes and clothing for children starting school September 1.

Cigarette, Auto Demand Increases

Feature of the week's business news included a new high mark for cigarette consumption. The new figure of 569 million is the highest July total yet recorded and is only exceeded by the bizarre total of 651 million cigarettes released for consumption in May, 1930—a figure probably influenced more by tariff considerations than by normal trade requirements.

Another important gain was sales figures for trucks and buses. These rose 47% above corresponding totals last July.

Complete business figures, including The Financial Post business index for July, are given on page 7. Summary totals follow:

	July	—Change— From prev. period %	From prev. year %
Monthly:			
Auto. financing:			
New cars	$3,098,442	—21	+22
Used cars	$2,656,701	—21	+25
Cigarette consumption, No.	569,183,670	+12	+10
Newsprint exp., tons	234,049	—17	+6
Elec. pwr. output*	2,020,855	—0.3	+12
New car sales:			
Passenger cars (No.)	6,532	—34.9	+5
Weekly:			
Car loadings, No.	50,368	+9	+16
Cattle sales, No...	14,106	—21	—30
Hog sales, No. ..	16,179	—9	+16

*000's omitted.

Will Register All on Relief In Dominion

House-to-house Survey Will Commence September 1

AFTER MANY DETAILS

From Our Own Correspondent

OTTAWA. — Registration of all persons receiving direct relief in Canada begins in a house-to-house survey across the country September 1 under the auspices of the National Employment Commission, which was empowered by act of parliament last session to carry out such a national survey.

The commission counts on enlisting the active co-operation of provinces and municipalities in carrying out this survey.

When the data is assembled and tabulated, the commission expects to have an accurate account of the unemployed persons now on relief in Canada.

The relief registration form is a formidable document, and will permit of the tabulation of more exhaustive information about the status of unemployed persons on relief in Canada than has yet been possible, except in small, special surveys.

Has Weak Points

The weakness of the registration is that it will not supply any information about the unemployed persons in Canada who are not on relief, but who have been living with parents or other relatives, or who have been cared for in some other way.

The commission is aware of this deficiency, and several suggestions are being considered to overcome the defect.

To Get Farmers, Too

The forms on which the present registration is being conducted are two in number, "A" and "B." The latter is for use of those living on and operating farms. Form "A" is for all others, and will be used in all urban centres.

In the instructions which accompany the registration forms, Arthur B. Purvis, chairman of the commission, expresses the hope that in time these national registration forms may be acceptable to provincial and municipal authorities and standardize relief registration throughout the country. Once the forms are filled out, as of September, 1936, it is hoped to keep them up to date.

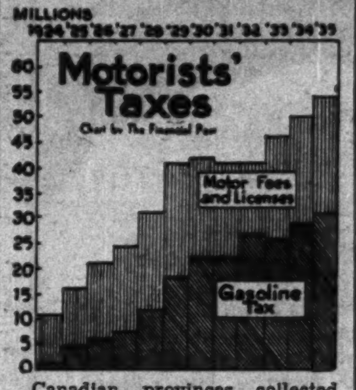
"In order to secure comprehensive and accurate data on the general problem of direct relief in Canada," says Mr. Purvis in his covering instructions, "the National Employment Commission, in co-operation with the Department of Labor, the several provincial governments and the municipal governments, is undertaking a running registration of all direct relief recipients, commencing with the month of September, 1936.

"In order to secure data from all provinces and districts on a uniform basis it has been necessary to adopt certain more or less arbitrary definitions in reference to the forms which the municipalities are asked to have completed. It should be understood that in so far as the Government of Canada is concerned these definitions are entirely for the purpose of securing the requisite uniformity from province to province; that they should not be taken as any necessary hint or indication of any present or future policies with respect to relief which may be recommended by the National Employment Commission; and that in no sense are they designed to limit or define what may be regarded as provincial or municipal rights and responsibilities which may have been in the past ,and may be in the future, matters of negotiation between the governments.

Will Form Basis

"It is realized that the registration forms, designed by the commission to secure data considered as vital to its proposed study of the problem of direct relief, may not immediately serve the provinces and municipalities in the place of the forms hitherto in use for the purpose of registration. Nevertheless, it is hoped that in time they may serve that purpose in part, requiring only to be supplemented by such further forms as are necessary to secure such additional information as relief authorities require. In this way, it is hoped some degree of standardization of relief registration forms may be attained throughout the country."

Motorists Pay Increasing Toll



Canadian provinces collected $54.6 millions from motorists in 1935, according to preliminary figures prepared by the Dominion Bureau of Statistics. This is an increase of 7.8% over the corresponding figure a year ago. Of the total, $31.5 millions came from gasoline taxes and $23 millions from license fees, registrations, etc.

As usual, the bulk of the revenue came from Ontario which collected $24.4 millions or 45% of the Federal total. Ontario's 6-cent gasoline tax brought in over $15 millions or nearly half the total for all Canada. Three provinces have a higher gasoline tax rate than Ontario, namely, New Brunswick, Nova Scotia and Prince Edward Island, which collect 8 cents on the gallon. All other provinces collect 7 cents, except Quebec which has a 6-cent levy.

Highlights

Commodities Rising

Prices of key materials mount in Canada with prospect that 20% increase to date will soon be surpassed. Page 9

Mining Aids Building

Sudbury construction booms with expansion of mining operations. Page 8

To England by Air

Canada will be next link in chain of air-lanes stretching to farthest corners of British Empire. Page 3

Sioux Lookout

Kenora mining area experiences first major activity in 40 years. Page 15

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Abitibi Moves to Reopen Newsprint Mill at Ste. Anne

From Our Own Correspondent

MONTREAL.—Abitibi Power and Paper Co. is understood to be making arrangements to increase the woodpile at the plant of its subsidiary, Ste. Anne's Paper Co., to 40,000 cords, with a view to re-opening the newsprint mill within the next 6 months.

This mill has been closed down for several years and the likelihood of a resumption of operations was first mentioned in The Financial Post last June. The decision to reopen has been influenced by the steady increase in the consumption of paper and the contract for power with Shawinigan Water and Power Company.

The power contract was adjusted in 1932 with the minimum requirements waived for 4 years. In September, when this agreement expires, the company wil be faced with the problem of paying $375,000 yearly for power which can only be utilized by reopening of the mill. An extension of the agreement is possible, of course, in the event of an early reopening of the plant.

By bringing in the new supply of pulpwood, the pulpwood inventory position will be straightened away. At present there are supposed to be 60,000 cords in the pile, but it is likely that a large part of this is not suitable for the manufacture of newsprint.

Court Rules Goad's Plans Not Combine

Important Verdict Given in Insurance Map Argument

COPYRIGHT UNDECIDED

Restriction of use of Goad's insurance plans to member companies of the Canadian Underwriters Association does not constitute a combination in restraint of trade.

Such was the judgment rendered last week in Exchequer Court at Ottawa by Mr. Justice MacLean in a case which has aroused exceptionally wide interest in insurance circles. The decision followed action instituted last year against prominent non-board groups, by Underwriters Survey Ltd. and the Canadian Fire Underwriters Association. The action claimed infringement of copyright in the use of rating plans, etc., known as Goad's plans by fire insurance companies outside the membership of the Association.

Two Lines of Defense

Two principal lines of defense were entered. First, that no copyright existed in respect to the material, but that if it did the plaintiffs are not sole owners. Secondly that the action, like others against non-board companies, and agents acting for them, was in pursuance of an illegal conspiracy and combine under the Combines Investigation Act and Criminal Code.

In support of the second line of defense it was contended that the Underwriters Association originally purchased copies of the plans from the Goads in full confidence that copies would continue to be available for purchase. In 1911 the association made an arrangement with the Goad Company to limit circulation of the plans to its members. This was not satisfactory, however, and the association later acquired the plan business from the Goads with the object, it was claimed, of enforcing a non-intercourse rule and of completely restricting circulation.

Exert Pressure

It was hoped to force not only other companies into line, but also affected insurance agents, it was stated. Agents writing business for both board and non-board companies would have to choose between the two. As loss of the plans would seriously hamper non-board companies—perhaps to the extent of forcing them out of business, the argument ran, agents would naturally be inclined to fall in with board companies.

Mr. Justice MacLean held that copyright is the right to restrict the circulation of literary work and is in the nature of a property right. Thus the underwriters in attempting to limit circulation are merely protecting their property. He further held that copyright is not a commodity within the meaning of the Combines Investigation Act and Criminal Code, and therefore could not be the subject of trade and commerce and the object of conspiracy or combine.

With this question disposed of, the main issue is now whether the Underwriters Association actually have a subsisting copyright in the plans and rating material, and, if so, whether their rights have been infringed.

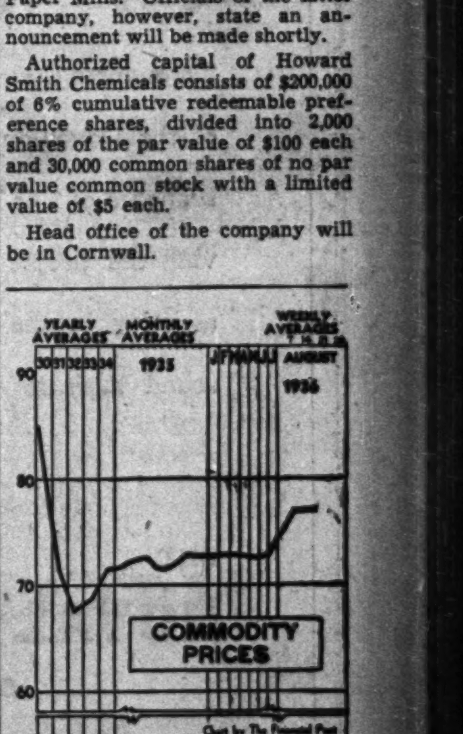
Howard Smith Chemicals Gets Dominion Charter

From Our Own Correspondent

MONTREAL. — Dominion incorporation papers have been taken out for Howard Smith Chemicals Ltd. No official particulars are available as to the type of products which will be handled by this company or its relationship with Howard Smith Paper Mills. Officials of the latter company, however, state an announcement will be made shortly.

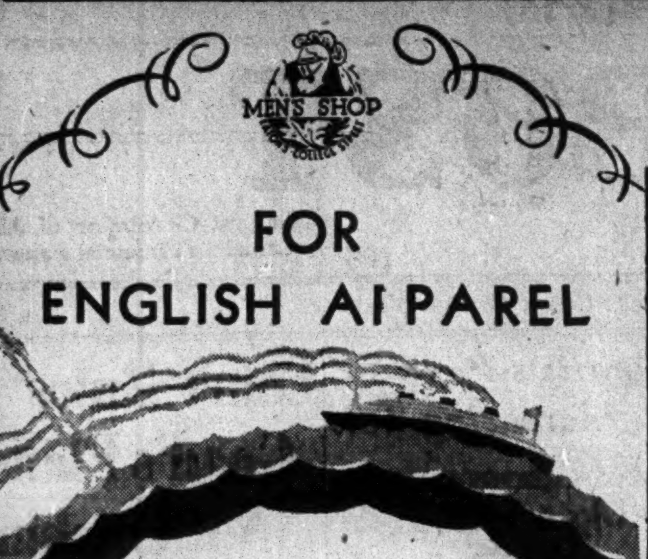
Authorized capital of Howard Smith Chemicals consists of $200,000 of 6% cumulative redeemable preference shares, divided into 2,000 shares of the par value of $100 each and 30,000 common shares of no par value common stock with a limited value of $5 each.

Head office of the company will be in Cornwall.



PRICES STATIONARY

Wholesale commodity prices remained on an even keel in the week ended August 21, the Dominion Bureau of Statistics index being 76.1, which is the same as for the previous week. In the week ended August 7 the index stood at 76.3.



FOR ENGLISH APPAREL

BE SURE TO VISIT

THE MEN'S SHOP

Complete your trip to Toronto with a visit to the Men's Shop, EATON'S-College Street. In this modern shop for men you will find a most extensive range of distinctive apparel. Topcoats by Burberry, Joseph May, and other famous English houses . . . fine English all-wool half hose by Allan Sally . . . hats for all occasions, styled by Henry Heath and Christie, of London . . . a tasteful selection of imported ties including real silk Foulards, Repps and English Macclesfield silks . . . British all-wool suitings both already tailored and tailored to your order for fall and winter wear . . .

Men of discriminating tastes will appreciate the quality, style and moderate price of Men's Shop merchandise.

MEN'S SHOP — BAY STREET SECTION

EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

business instituted by the present Government. Textiles, coal, farm implements, wheat, packing, have all come in for attention.

The Winnipeg Free Press considers The Post's comment to be an ill-considered protest. No investigation is undertaken, it says with naive faith in the politicians, unless there is reasonable ground for doing so. Businesses that are properly conducted have nothing to fear, it contends, while others, those that are found gouging the public in one way or another, can be appropriately dealt with.

* * *

WHEN the Winnipeg Free Press says the public have a right to protection from abuses in business and finance it is preaching what The Financial Post itself has always preached. When it says that business must be fair with the public it is but parrotting the principles of every enlightened businessman.

The Financial Post does not question the right of government to investigate business or any other human activity. But it does not share in the Free Press's simple faith in the non-political character of some of the current investigations.

If, as the Free Press says, "under the shelter of the tariff there are combines for fixing prices higher than they would otherwise be," why should the tariff board not establish the facts and make a suitable recommendation to the Government? Is it necessary to burden the taxpayers with the heavy additional expenses of a special Royal Commission into textiles, another one into coal, another one into wheat? Is it necessary for a Parliamentary committee assisted by special auditors and staff to thresh over the old straw of farm implement prices?

* * *

THE Government is calling for the co-operation of businessmen in solving the unemployment problem. It is seeking, or professes to seek, to stimulate confidence so that private business will be able to provide more jobs. Commissions of investigation into business, appointed purely for political purposes, will stultify both co-operation and confidence.

When businessmen protest against the heavy expense incurred and the innuendo of wrong-doing implied in the appointment of roving Royal Commissions sent out to create newspaper headlines and dig up facts for political orators to distort, it is the sheerest impudence for the Winnipeg Free Press to draw from their protests the inference that "some of the business leaders of this country evidently think they should be left free to conduct their business as they like." No businessman can ever conduct any business successfully unless he conducts it as the public thinks he should conduct it.

All that any businessman can hope for in the best of times is to be left sufficiently free from persecution and interference to conduct his business at all.

* * *

Can Not Ignore Immigration

TWO speeches on the subject of immigration by Hon. George Spence, Minister of Immigration of Saskatchewan, have been republished as a pamphlet by the Saskatchewan Immigration and Settlement Convention Committee.

Mr. Spence shrewdly sees our trade with Britain and immigration from Britain as interdependent. It would be better, he thinks, for Canada to invite Britain to send us immigrants on some wise plan, and to obtain the aid of British capital in settling them here, than to have Britain spend money on building up an uneconomic domestic agricultural industry to support its surplus population.

* * *

MR. SPENCE sees the very close connection between the ambitions of the "expansionist" countries in Europe and Canada's immigration policy. European countries are determined to acquire, by force if necessary, the overseas territories needed to adjust their economic balance. If Canada keeps its doors closed how long can it preserve its insularity, bounded on the south by the Monroe doctrine, on the north by the Arctic Ocean, and east and west by the British fleet?

Such views as those of Mr. Spence ought to be studied closely by Canadians. We can not for all time pursue our present selfish closed door policy on immigration. Our present policy is not only economically unwise for Canada but it is politically unsafe for the British Empire.

Expect No Change In Minimum Price

From Our Own Correspondent

OTTAWA.—Final decision as to the minimum wheat price to be paid by the Canadian Wheat Board for the current crop, it is reported, will not be made until Hon. W. D. Euler returns to Ottawa within the next week.

Considerable pressure is being brought on the government by western farm organizations to raise the minimum from its present level of 87½ cents to $1 or even higher.

The government's inclination is to let the 1935-36 price stand, so long as the current quotations are around the dollar mark. Last year the minimum price was set higher than the open market quotation at the time, and although for a brief period the latter rose above 87½ cents, it fell again, and during most of the crop year remained substantially below the market level. As a result the Board had to handle the bulk of the 1935 harvest.

The government would prefer not to buy the 1936 harvest, but rather stay in the background with a minimum quotation which would ensure that the farmer get a decent price for his wheat if the market collapsed.

Over 200,000 In Arid Areas Will Get Aid

(Continued from page 1)

it is tentatively proposed, a bonus of $5 per head to all eastern farmers and ranchers who will bring western cattle east for feeding, keeping them a minimum of 2 months.

A scheme whereby the cows, canners and other inferior animals in the "dried-out" areas may be lifted from the domestic market and sold in export markets has been worked out between the packers, the prairie provinces and the Federal Government. Payment of a cent a pound is indicated, with the Federal Government guaranteeing the packers against loss on the transaction. The packers will handle these animals at out-of-pocket cost, and if any surplus results, it will be distributed among the farmers and ranchers supplying the stock. Some of these animals will be turned into fertilizer, and some into boneless frozen and canned beef. The stockmen want it disposed of in external markets so as not to come into competition with the regular sale of livestock.

Grants to be Boosted

Increased monthly "grants-in-aid" to Alberta and Saskatchewan to enable them to maintain direct relief in the coming winter and spring. At present these grants amount to $267,750 a month to Saskatchewan and $133,875 to Alberta. Last winter they were $350,000 and $175,000 per month. Some increase would probably have been necessary for the winter months, except in the event of a very profitable harvest. Over a large area the Federal Government will contribute the entire cost of relief.

The Federal Government is prepared to assist in work programmes in these provinces. Wherever possible relief to farmers will be given for road-work and water conservation projects. About 2,000 single unemployed men in Saskatchewan will be given work clearing some of the burned areas in the northern forests, partly for firewood and wherever possible to salvage commercial timber.

The Red Cross will be asked to assist in providing household furniture where it has been depleted by a succession of dry years.

250,000 Affected

A few areas which produced no crop in 1935 and 1934 will have sufficient this year to lift some farmers from the relief ranks, but there are others, notably in southwestern and central-western Saskatchewan, where the failure is the most complete in the past decade, and where 100% relief will be necessary, according to reports brought to Ottawa. Authorities estimated that 250,000 farm persons will need relief of some sort in the two provinces.

The cost of relieving the 1936 drought cannot be accurately estimated at present, but the Saskatchewan delegation brought here a programme calling for an expenditure of $12,000,000 for the farmers in the drought areas and a similar sum for the relief of the fodder shortage among the cattlemen. These estimates are regarded here as unduly high, but the actual outlay will be a formidable figure.

Drought relief for Saskatchewan in the past 2 seasons has cost about $11,000,000 in addition to loans which swell the total considerably. This is in addition to the monthly grants-in-aid for the unemployed.

Ask for Economy

While sympathetic toward the farmers and others who have suffered from persistent dry weather, hot winds and other calamities, the federal authorities, facing another deficit, are asking the western provinces to manage as economically as possible. There is some discussion as to the wisdom of turning over large lump sums for administration, and the possibility is mooted of creating a joint committee of federal and provincial officials to look after the drought areas.

In addition to relieving the immediate distress on the prairies, the Government is exploring what can be done to prevent a recurrence of the disaster. In a statement this week, Hon. Charles Dunning, chairman of the cabinet committee dealing with drought problems said: "The most important aspect of the drought problem is the constructive side. Much useful work has been done by provincial and Federal Governments by way of rehabilitation. Whenever within a soil area are soil conditions such as not to give promise of ability to support people engaged in agriculture, arrangements now exist facilitating the movement of people from such poor soil areas into other districts.

No Northern Move

"Every effort will be made to increase this work, not with the intention of moving people from the southern part of the area to the north, but from poor soil areas to good soil areas in the district with which they are familiar. Other rehabilitation work such as building dams, conservation of water supply, etc. will be further developed. The Government is certain the people of Canada will desire to help these people to help themselves."

The Minister of Finance called attention to estimates that upward of 200,000 persons in a block had been deprived by drought of even a vestige of means of livelihood, in an area a considerable part of which had been afflicted by similar conditions for from 4 to 8 years, and stated that the problem had become one of national scope. It was quite beyond the capacity of the municipalities or provinces to meet, and for that reason, only, in fairness to the other provinces, was the Dominion justified in stepping in and taking it over. It was determined to provide living conditions in the drought areas comparable with those on relief in other parts of the province.

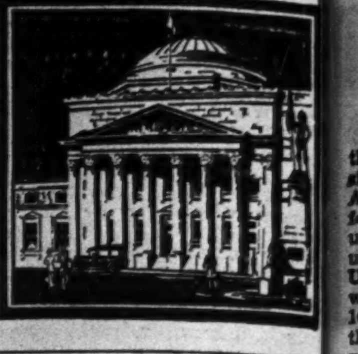
For 118 years —a stabilizing factor in Canadian business.

Head Office Montreal

TOTAL ASSETS IN EXCESS OF $800,000,000

BANK OF MONTREAL

Established 1817



See these exhibits at the EXHIBITION

Mighty interesting and instructive! . . . is the best way to describe SIMPSON'S exhibits at the Canadian National Exhibition this year. Be sure to see them!

• Manufacturers' Building:

Furnished rooms. Fashion displays. "Lewis" shirts for men. Band and other musical instruments. (Shopping Service and Mail Order offices.)

• General Exhibits Building:

Roofing equipment . . . Ice box flowers.

• Electrical Building:

The new stoves . . . washing machines . . . "Kelvinators" . . . and sewing machines.

• Devonshire Court:

Coal blowers . . . and furnaces.

Simpson's

Company Reports

City Gas & Electric

City Gas and Electric Corp., Three Rivers, reports a decline in consolidated operating profits during the year ended March 31, 1936, compared with the preceding 12-month period. Gross profit from operations at Amos, Yamaska, Huntingdon and Ste. Thérèse was off about $9,000 during the year, while net profit declined about $6,500. Further, the company had an operating loss of nearly $90,000 on the Three Rivers gas division. The greater part of this loss was charged to development account, a procedure questioned by the auditors.

The balance sheet shows an increase in the bonded debt from $287,000 to $400,100. Bank loans are up from $42,898 to $64,066. Loans from directors, etc., have been reduced from $61,854 to $22,308, while the number of issued common shares increased from 51,533 to 56,120. Among the assets, property account advanced from $915,213 to $976,972.

No provision has been made for depreciation in the accounts.

Profit and Loss Statement
Years Ended March 31

	1936 $	1935 $
Gross revenue	24,770	33,681
Less: Executive exps.	6,000	8,288
Interest charges	8,510	10,604
Directors' fees	......	210
Replacement exp.	2,164	......
Net profit	8,096	14,598
Loss at Three Rivers	22,420	......
Cost of financing, etc.	21,052	......
Interest on bonds	22,463	......
Salaries, etc.	29,698	......
Less: Propor. chgd. subs.	6,000	......
Chgd. to develop.	67,225	......
Net loss for year	14,312	*14,598

*Profit.

change, with the deficit account standing at $291,950.

In a letter to bondholders, the company states it is the intention to pay the March 1, 1934 coupon on September 1 next. On the basis of present revenues it is hoped to pay another half-yearly coupon within 12 months. There is no prospect, the report goes on to say, of payment of bond interest in full under present conditions.

Income and Surplus Account
Year Ended April 30

	1936 $	1935 $
Gross revenue	81,674	79,465
Less: Expenses	51,807	48,553
Net income	29,777	30,912
Less: 1st mtge. int.	51,799	51,799
General mtge. int.	10,500	10,500
Other interest	3	46
Depreciation	22,553	25,775
Loss for year	55,077	57,209

Acadia Apartments

Though gross revenue of Acadia Apartments registered a small gain in the year ending April 30, 1936, net income was fractionally under that reported for the previous year. The balance sheet shows no major

Neon Products

Slight improvement in operations of Neon Products of Western Canada Ltd., which manufactures and distributes Claude Neon products in British Columbia and Alberta, is recorded in the annual report for the year ended April 30, 1936, net profit for the year amounting to $58,251, compared with $53,698 in the previous year.

Dividends on the company's ordinary shares in 1935 totalled 50 cents a share compared with 25 cents a share in 1934.

Sharp reduction in working capital reflects the acquisition of Ruddy-Duker Co. Ltd., Vancouver sign company from E. L. Ruddy Co. Ltd. A total of $110,000 was still owing on the purchase at April 1, 1936. Of this amount $50,000 was due on May 1, 1936, and the remaining $60,000 in equal annual installments. Current assets at April 30 last totalled $34,185 and current liabilities $117,798, leaving a deficit of $83,613 in working capital account as compared with a surplus of $70,797 in the previous year.

Total assets have increased from $484,006 to $626,512. This is more than accounted for by a new item in the balance sheet, namely, investment in and advances to subsidiary, which is Ruddy-Duker Co. Ltd. Shares of this company are carried in the balance sheet at $160,000 and thus the purchase price of Ruddy-Duker Co. is disclosed for the first time.

Income and Surplus Account
Year Ended April 30, 1936

	$
Gross revenue	339,339
Less: Direct costs	133,162
Net oper. profit	206,177
Less: Amort. of signs	123,131
Income taxes	22,648
Net loss of subsid. from acquis.	2,147
Net profit	58,251
Less: Pref. dividends	11,388
Ordinary dividends	27,418
Surplus for year	19,445
Add: Prev. surplus	18,460
Less: Prem. of pref. shs. red.	3,130
Surplus forward	34,775

Working Capital
As at April 30

	1936 $	1935 $
Current assets	34,185	107,731
Current liabilities	117,798	36,934
Working capital	*83,613	70,797

*Excess of current liabilities over current assets.

Dominion Explorers

Net realizable assets of $20,000 are reported in the financial statement of Dominion Explorers Ltd. for the 17 months ended March 31, 1936.

Since no financing or sale of treasury shares took place during the year, the company has remained dormant from a mining and development standpoint. Mining properties held at the end of the fiscal year were 34 copper prospect claims in Great Bear Lake, and a 50% interest is held in a group of 3 claims on LaBine Point, the latter a silver prospect.

Sufficient assessment work has been done on the company's claims to hold title for several years but the value of the claims must be considered problematical, according to Col. C. D. H. MacAlpine, president. Investments at cost include 9,215 shares of Ventures Ltd., carried at $8,148.

The company's expenses for the year were:

General and Office Expenses, Etc.
17 Months Ended May 31, 1936

	$
Office expenses	1,042
Miners' licenses	600
Transfer fees	356
Provincial taxes, etc.	185
Bank int. and charges	67
Audit fees	100
Claims transfer, etc.	211
Storage and insurance	22
	2,583
Less: Supplies sold	165
Net expenditures	2,418

Obituary

J. Albert Brousseau, publicity executive of the Metropolitan Life Insurance Co., in Ottawa. He was 67.

* * *

Alexander Morrison Stewart, well-known insurance broker and associate in Montreal of the General Fire Insurance Co. of Paris. He was 54.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.90	4.25
Can. Invest. Fund	4.30	4.55
Grouped Income	6.17	6.75
Can. Inter. Tr. Shs. c.	1.50	3.00
Do., pref.	55.00	..
Can. Equity	12.60	...

Tourist Buying $370,000 in July

Purchases by Canadians in U. S. $752,000 Since May

Merchandise brought into Canada by returning tourists under the $100 exemption clause is currently running between $350 and $375 thousands monthly, almost all of which is from the United States, according to official figures from Ottawa. Total imports since the new ruling went into effect in May have been $838,000, of which $119,000 entered in May; $350,000 in June and $370,000 in July. Of this total $752,000 came from U. S. A.

Clothing headed the list of commodities brought in under the heading of "traveller's baggage," in each of the 3 months this commodity accounting for about one half the total.

Furniture and household appliances came next, and included such articles as small refrigerators and radios; and third in the list were boots and shoes. Miscellaneous articles were high in the list, while automobile accessories played an important rôle.

Parkhill Gold Mine Reports Recovery

Over 1,700 Tons Handled in July With Gross of $24,325

From Our Own Correspondent

MONTREAL. — Parkhill Gold Mines reports July production of 1,710 tons of ore, compared with 1,912 tons milled in June and 1,728 tons in July, 1935.

Gross recovery for the month amounted to $24,325 against $38,500 in the previous month and $29,500 in July a year ago.

In the 10 months of the company's fiscal year ended July 31 last, 17,888 tons were milled with a total recovery of $269,925. Average recovery per ton was $16.10 and the average daily milling was 60 tons. In the corresponding 10 months period a year ago the company milled 16,578 tons with a total recovery of $251,981. The average recovery for that period was $15.20 per ton with a daily milling rate of 54.5.

Extend Ore Body

The current report states further: "Ore has been encountered on the 11th level, both east and west of the shaft. On the west side an ore body of 75 ft. in length has recently been opened. This ore body is the downward extension of that mined on the 9th and 10th levels, and on the 11th level is producing an excellent grade of ore over satisfactory widths. The east drift has been very encouraging, the vein showing considerable strength and some good assays and free gold have resulted."

86 Food Chains

Chain food stores operating in Canada during 1935 comprised 86 different companies which operated 2,309 stores with sales to the value of $105,624,100.

Wabana Ores Go to Sydney

But Spanish Revolution May Divert English Buying

From Our Own Correspondent

ST. JOHN'S, Nfld.—Up to August 11 shipments of ore from Wabana iron mines totalled nearly half a million tons, which was in excess of last year's shipments to the same date.

Sydney took more than half this total, Germany only 70,000 tons and England slightly more.

Actual tonnage shipped was as follows:

To:	Tons
Sydney	291,327
Germany	70,185
Dagenham, Eng.	40,005
Cardiff and Port Talbot	24,975
Middleborough	7,250

During June new contracts led to increased activity, and No. 2 mine was reopened, giving employment to an additional 350 men. Unfortunately this new activity was short-lived, for in less than a month notice of cancellation of certain orders was received and the mine again closed and men were laid off.

There is much hope on the island, however, that the troubles in Spain may prove advantageous for Wabana, and may lead British ironmasters to turn their attention to this Empire source of supply.

O'Brien Gold Doubling Mill

Report Progress at Meeting of Shareholders — Cline Prospects Reviewed

From Our Own Correspondent

MONTREAL.—Present capacity of O'Brien Gold Mines mill will be increased from 75 to 150 tons daily, according to announcement made at the annual meeting of the company's shareholders. In addition it was stated plans of expansion provided for the sinking of an additional 500-ft. shaft; erection of a steel head frame and building of bunk houses, etc., all of which is estimated to cost in the neighborhood of $200,000.

Mention was also made of the option which the company has on the Cline property in Northwestern Ontario, near Franz on the Canadian Pacific Railway. The option is to run for 3 years and it is estimated that should the option be exercised an expenditure of $450,000 would bring the mine into production with 150-ton mill.

Ore Body Indicated

With regard to development at the Cline property to date, surface work and 16 diamond drill holes, there was indicated an ore body which would average $9 per ton across 18½ ft. for a length of 500 ft. and to a depth of 300 ft., or $14 over a width of 12 ft.

In regard to operations on the company's own property, shareholders were told that 10 different veins have been investigated but only 2 of these have proved important. No. 1 is wide, of low grade, and has accounted for about half the total for tonnage, but not the same proportion of gold.

It has not been worked below the 500-ft. level. Only a small part of the company's property has been thoroughly investigated as yet.

S. A. Gold and Platinum Earns 13.8c in 6 Months

South American Gold & Platinum Company produced 23,112 oz. of crude gold and 12,828 oz. of crude platinum during the 6 months ended June 30, 1936. Both products require refining.

Consolidated net income of the company and subsidiaries amounted to $242,620, equal to about 13.8 cents a share on the 1,760,000 issued shares. Net income is estimated for the period after deducting all expenses, after depreciation and estimated depletion, U. S. and Columbian income taxes and proportion of earnings applicable to minority interests. The figure is before provision for surtax and undistributed profits.

Ottawa Light Issue Is Well Received

Issue of $1.7 Millions of 5% Preference Shares Offered at Par

Ottawa Light, Heat and Power Co.'s conversion offering of $1.7 millions of 5% cumulative preference shares has been favorably received. The Financial Post is informed. Offered at $100 a share, most of the issue has been taken up by present holders of the company's 6½% preference shares which have been called at 105 on Oct. 1 next. The 6½% shares are being accepted by the underwriters at 105 in payment of the new stock.

Details of the issue follow:

Ottawa Light, Heat and Power Co. Ltd.
$1,700,000

5% Cumulative Preference Shares

Company: Through two wholly-owned subsidiaries the company generates and distributes electric power in the cities of Ottawa and Hull and surrounding district, serving a total population of 175,000. The company also manufactures and distributes gas in Ottawa and adjoining municipalities in Ontario.

Capital:	Author.	Issued
5% coll. trust bonds	$6,000,000	$4,712,000
5% pref., par $100	2,000,000	1,700,000
Common stk., par $100	8,000,000	3,500,000

Assets: Combined assets, after deduction of the outstanding bonded debt, are equivalent to $309 per $100 par value preference share.

Earnings: Average earnings during past 10 years available for preferred dividends amounted to $288,456 compared with annual dividend requirements for this issue of $85,000. In 1935 earnings were equivalent to $17.77 a share on the preference stock.

Preferred as to capital and dividends. Cumulative dividends accrue from Oct. 1, 1936.

Purpose: Proceeds of issue will be used to redeem present 6½% preference shares on Oct. 1, 1936, and for general corporate purposes.

Offering: By Wood, Gundy & Co. and W. C. Pitfield & Co. at 100.

Metal Prices

New York—Aug. 25—

Copper: Electrolytic spot and future, $9.75.
Silver: 44¾c.

London—Aug. 25—

(Long Ton)—

Copper: Electrolytic spot, bid, £42 5s.; asked, £42 15s. Standard spot, £38 1s. 3d.; future, £38 6s. 3d.
Tin: Spot, £183 5s.; future, £180 5s.
Lead: Spot, £17 1s. 3d.; future, £17.
Zinc: Spot, £13 8s. 9d.; future, £13 12s. 6d.
Gold: 138s. 2½d.
Silver: 19½d.

Canada—Aug. 25—

Gold: $34.78.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surp.	20c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Anglo-C. Tel., A	12½c.	Sept. 1	Aug. 15
Biltmore Hats, pf.	$1.75	Sept. 15	Aug. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Borden Co.	40c	Sept. 1	Aug. 15
Belding Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Bank of Montreal	$2.00	Sept. 1	July 31
Can. Bk. of Comm.	$2.00	Sept. 1	July 31
Confed. Life	$1	Sept. 30	Sept. 25
Cosmos Imp. Mills	$1.25	Oct. 15	Sept. 30
Corr. P Box, pf.	$1.75	Sept. 1	Aug. 15
Can. Vinegars	30c	Sept. 1	Aug. 15
Can. Malting	37½c	Sept. 15	Aug. 31
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. Indus., A & B	$1.25	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Dom. Scott. Inv., p.	25c	Sept. 1	Aug. 20
Dom. Bank	$2.50	Oct. 1	Sept. 19
Electrolux	40c	Sept. 15	Aug. 15
Do., extra	10c	Sept. 15	Aug. 15
Ham. Un. Theat., p.	$1	Sept. 30	Aug. 31
Hollinger Gold	5c+5c	Sept. 7	Aug. 24
Inter. Mining	15c	Sept. 21	Aug. 31
Inter. Nickel, c.	35c	Sept. 30	Aug. 31
Lake of Woods M.	$1.75	Sept. 1	Aug. 15
Lava Cap Mining	†2c	Sept. 30	Sept. 10
Loblaw Groc.	25c	Sept. 1	Aug. 12
Laura Secord	75c	Sept. 1	Aug. 19
Louisiana Land	10c	Sept. 15	Sept. 1
Lake Shore Mines	$1	Sept. 15	Sept. 1
Mtl. Cotton, pf.	$1.75	Sept. 15	Aug. 31
Montreal Loan	50c	Sept. 15	Aug. 31
McColl-Fron., c.	20c	Sept. 15	Aug. 15
Monarch Knitting	$1.75	Oct. 1	Sept. 15
McIntyre-Porc.	50c	Sept. 1	Aug. 1
Moore Corp., A pf.	$1.75	Oct. 1	Sept. 10
Do., B pf.	$1.75	Oct. 1	Sept. 10
Do., com.	25c	Oct. 1	Sept. 10
Nat. Biscuit	40c	Oct. 15	Sept. 11
Do., pref.	$1.75	Aug. 31	Aug. 14
N.S. L. & Pr. pf.	$1.50	Sept. 1	Aug. 15
Ogilvie Flour, pf.	$1.75	Sept. 1	Aug. 20
Ont. Silknit, pf.	$1.75	Sept. 15	Sept. 1
Photo Engrav.	50c*	Sept. 1	Aug. 15
Pioneer Gold	20c	Oct. 1	Sept. 1
Reno Gold	3c	Oct. 1	Sept. 10
Remington-Rand	15c	Oct. 1	Sept. 10
Do., stock bonus	1%	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 1	July 31
Rolland Paper	$1.50	Sept. 1	Aug. 15
St. Lawr. Flour, c. bonus	$1	Sept. 1	Aug. 20
Sylvanite Gold	5c	Sept. 30	Aug. 17
Siscoe Gold	5c	Sept. 15	Aug. 31
Sheep Creek Gold.	2c	Oct. 15	Sept. 30
Spooner Oils	▲10c	....	Aug. 15
Teck-Hughes	10c	Oct. 1	Sept. 10
Tuckett Tob. pf.	$1.75	Oct. 15	Sept. 30
Union Gas	‡12½c	Sept. 15	Aug. 20
H. Walker-G. & W.	50c	Sept. 15	Aug. 22
Do., pref.	25c	Sept. 15	Aug. 22
Wright-Har.	10c	Oct. 1	Sept. 8
Do., extra	5c	Oct. 1	Sept. 8
Zimmerknit, pf.	*$3.50	Sept. 1	Aug. 15

*On arrears.
‡Interim.
†Initial.
▲Capital distribution. Payable within 30 days from issue of supplementary letters confirming reduction of par value from $1 to 90 cents per share.

Listed Bonds

Week Ended Aug. 24, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs	3	'39	50½	50½	51½	50
McNish	6	'48	3.90	3.75	4.00	3.00
Mtl. Trams., A., B., D.	5	'55	85	..	85½	83

IN CANADA

Throughout the length and breadth of the Dominion are to be found branches of The Royal Bank, serving the people of Canada and assisting in the development of sound business enterprise.

THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Cobourg, Ont.	Aug.	J. L. Graham & Co.	3%	18-ins.	$255,666	99.417	3.06%
Campbellton, N.B.	Aug.	W. C. Pitfield & Co.	4%	20-yr.	30,000	*101.50	3.90%
Summerside, P.E.I.	Aug.	R. A. Daly & Co.	3½%	1951	50,000	100.50	3.45%
St. Joseph, Que.	Aug.	Societe de Placements	4%	20-ser.	25,000	99.20	4.06%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
McManus Red L. Gold Mines	Aug.	G. D. Martin & Co.	....	....	500,000 shs.	30c	....

*Offering price.

Public Utility Earnings

Brazilian Traction

July:	1936 $	1935 $	Increase $
Gross earn.	2,775,741	2,565,892	209,849
Oper. exps.	1,221,698	1,171,026	50,672
Net earn.	1,554,043	1,394,866	159,177
7 Mos. ended July 31:			
Gross earn.	17,999,216	17,778,279	220,937
Oper. exps.	8,154,159	8,199,108	*44,949
Net earn.	9,845,057	9,579,171	265,886

*Decrease.

Upper Canada Mines

A Kirkland Lake gold mining venture that merits your attention

Write for full particulars

AMOS, BARBER & COMPANY

Members The Toronto Stock Exchange

25 King St. West ELgin 3106 Toronto, Ont.

28 years' intimate and active experience in Canadian Mining

Whisky Export From Canada Hit by Ruling

U. S. Bottling Decision Cuts Into Trade Pact Concessions

TRANSFERS BUSINESS

From Our Own Correspondent

WASHINGTON, D. C.—Recently the Federal Alcohol Control Division under Administrator W. S. Alexander, decided that no more foreign whisky can be imported under the label "bottled in bond" unless bottled in accordance with U. S. regulations. All Canadian whiskies are blended and less than 100 proof alcoholic content, whereas the U. S. requirements for bonded whisky are inflexibly 100 proof and "straight," that is, non-blended whisky. So far as British whisky, principally Scotch, is concerned, the ruling also bans use of the term "bonded" since no Scotch whisky is either "straight" or 100 proof—if it were, it would not be Scotch.

The Canadian Government was first to adopt the method of government stamping of whisky sold under certain conditions of government supervised manufacture and warehousing as "bonded" whisky. The Canadian Act was passed in 1886 and the U. S. Government did not follow suit until 11 years later in 1897 with a similar act. Much interest has been aroused as to whether or not this ruling will have any effect on the rapidly increasing sale of widely advertised, reputable, aged Canadian whisky in the U. S. in favor of the younger, rawer and more alcoholic American liquors.

Canadians Have U. S. Plants

In round numbers, there were some 3,000,000 gallons of Canadian whisky imported into the U. S. in 1935, of which about 50% was Canadian bonded whisky. But at the rate at which such Canadian liquor has been imported during the first 6 months of 1936, total imports this year would run to about 6,000,000 gallons of which nearly half would be bonded liquor—about double the 1935 imports. As the 2 principal Canadian whisky exporting firms—Hiram Walker and Seagram's—both own huge distilleries in the U. S. now accumulating large stocks for ageing, the purpose of the decision would seem to be to transfer the manufacture and sale of the well-known Canadian brands from Canada to the U. S.

Vigorous protests by American importers of well-known brands of Canadian "bonded" whisky failed to swerve the FAC from the ruling. Efforts are now under way to obtain a modification of the order at least to the point where such aged, blended and less than 100 proof Canadian bonded whisky may at least be imported under some kind of label setting forth that it came from a government supervised warehouse. Such a term as "bottled under Canadian Government supervision" or "government supervised warehouse" might mitigate the order, but it is doubtful if the federal board will accede.

Text of Vital Section

The vital phrase in the order reads:

"4. Imported 'bottled in bond' spirits—The words 'bond,' 'bonded,' 'bottled in bond,' 'aged in bond' or phrases containing these OR SYNONYMOUS TERMS shall not be used on any label or as part of the brand name of imported distilled spirits unless such spirits AS TO PROOF AND AGE AND IN ALL OTHER RESPECTS meet the requirements applicable to distilled spirits bottled of domestic consumption under the Bottling in Bond Act of the United States . . ."

While in practice all Canadian bonded whisky export exceeds in age the U. S. requirements of four years, none of it runs over 90 proof alcoholic content and all of it, with some minor exceptions, is blended according to long-tested formulae. As no alcohol could be legally added to raise it to 100 proof, a different distillation would be required to meet the 100 proof U. S. bonding regulation. Moreover, to change the amount of proof spirits and to manufacture the product "straight" instead of blended would mean that American consumers who have favored the flavor and potency of their customary Canadian brands would no longer recognize them as such.

Canadian manufacturers of well-known brands declare they do not see that the order will affect sales much. The growing use of these brands is a result of experience with the brands themselves and not because of the words, "bottled in bond," they say.

The Canadian manufacturers of American type whiskies can, of course, meet the requirements for labels of "Bottled in Bond."

Saint John Port Activity Shown by Cargo Returns

From Our Own Correspondent

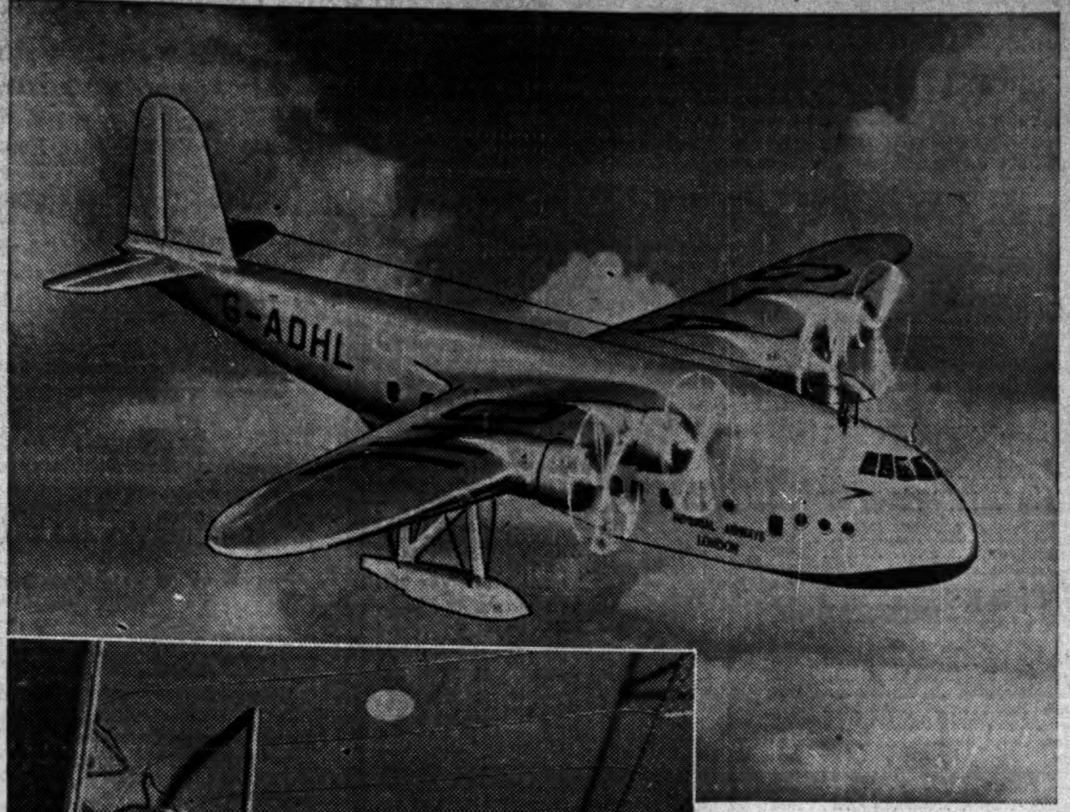
MONTREAL.—Operations at the port of Saint John during July were greater than for the same month a year ago, according to a report of the Harbor Commissioners. Cargo tonnage handled during the month was 74,850 tons, of which 27,839 tons were exports and 47,011 tons imports. For July, 1935, exports amounted to 19,860 tons, imports 39,434 tons, making an aggregate of 59,294 tons.

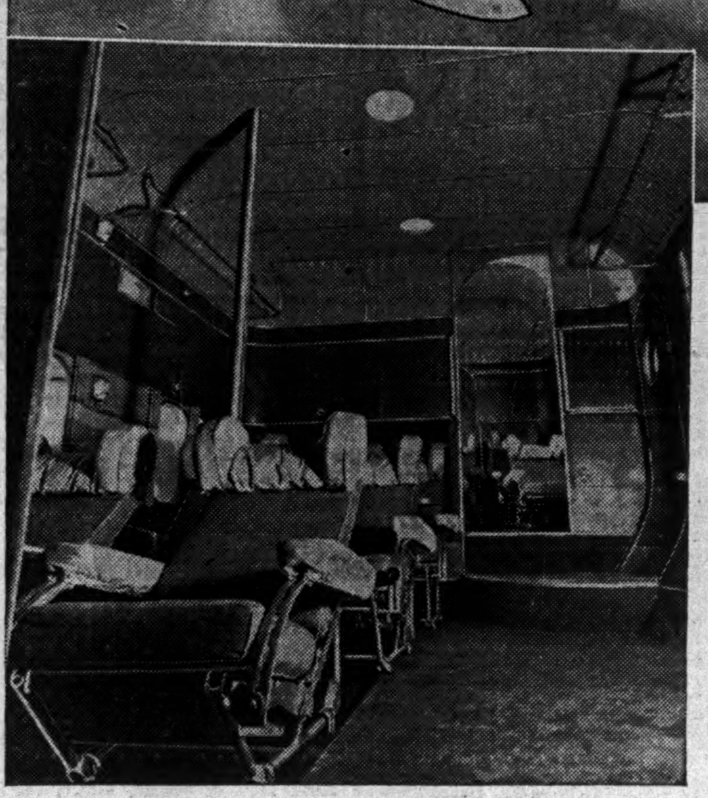
For the first 7 months of 1936 nearly 1.2 million tons were handled by the port, made up of 422,184 tons of imports, 744,504 tons of exports. The comparative figures for 1935 are: Imports 352,793 tons and exports 598,477 tons, a total of 951,270 tons.

International Paper Closes Maine Plant

From Our Own Correspondent

MONTREAL. — Rumford, Me., plant of Continental Paper and Bag Mills Inc., will be closed down shortly, according to an announcement by R. J. Cullen, president of International Paper Co., controlling company. Suspension was decided upon following a survey which convinced the company continued operation of the plant would be economically unsound.





—Photographs, courtesy of Imperial Airways Ltd.

WINGS OVER ATLANTIC

Imperial Airways Ltd. "Canopus," first of more than 25 Empire flying boats, and among those under consideration for the projected passenger, mail and freight service between Canada and Great Britain, via the North Atlantic, is shown in the upper picture. First of the "Canopus" series, "G-ADHL" is already in regular commercial passenger service on eastern flying routes from England. It is a 4-engined Short monoplane.

Lower photograph shows the luxurious interior of the promenade saloon, looking aft and showing the aft cabin. Entrance door is on the right.

Canada to England by Air Next Step in Empire Route

Before another year has passed Canada may be a link in the British "empire of the air."

Already the farthest outlying parts of the British Empire are tied to London with air lines stretching to Australia, Hong Kong, Singapore and Africa. Giant Imperial Airways planes traverse the network on regular passenger, mail and freight schedules, while week after week, month after month, the planes land and take off from Croydon, Paris, Cairo, Brisbane and a dozen other cities with the precision of a railway time table.

Canada is next in the programme of expansion and Canada will become the dual link between British North America, United States and England. Negotiations are now in progress among Great Britain, the Irish Free State, United States, Newfoundland and the Canadian government for an air route over the North Atlantic, with prospects that definite action will be taken in the near future.

Test Flights First

Test flights and inter-governmental agreements are necessary preliminaries, but the long discussed North Atlantic air route is perceptibly nearer to realization than ever before.

A modified type of the "Empire flying boats," built by Short Bros. Ltd., in England, may be used experimentally on the Atlantic route by Imperial Airways although these powerful planes are designed primarily for use in eastern and near-eastern countries.

Or the North Atlantic may be spanned by the new Mayo composite aircraft, now undergoing tests to prove the practicability of the type for transoceanic travel. The plane is in reality 2 planes, one attached above the other to allow take-off with a heavy fuel load, the lower plane later casting loose and returning to its take-off point, while the upper unit carries its load on the journey.

May Be Land Planes

De Havilland land planes are likewise being tested in preparation for North Atlantic trials, employing low-wing monoplanes styled after the Comet racing plane with 4 engines and retractile landing gear. Catapult launching equipment for heavily loaded transoceanic planes is also being considered and will probably be tested before the exact type of service is decided upon.

To date the most interesting possibility looms as either the Mayo composite aircraft or the Imperial Airways fleet of "Canopus" type empire flying boats which would be equipped with extra fuel tanks for their journey of 3,000-odd miles from England.

First flights of the "Canopus" have been signally successful and development of the type is being watched closely by aeronautical experts.

Driven by 4 engines developing a total of nearly 3,000 horsepower, the Canopus is capable of a speed of 200 miles per hour, carrying crew, passengers and a mail load of 3 tons.

Models at C.N.E.

In Canada this year, an unusual exhibition of Imperial Airways projects will be seen at the Canadian National Exhibition in Toronto. Models of "Canopus" and realistic demonstrations, aided by sound effects, will be given in connection with aircraft-ground communications, fog-landings and actual flight . . . produced in miniature by means of mechanical contrivances. The activities of Canadian airways will also be illustrated on this stand.

Imperial Airways Ltd. is itself a unique organization. Formed in 1924 to merge 4 commercial air lines in Great Britain, it has since become the largest commercial air line in the Empire.

It carries passengers, mail and freight to an extent that makes it the most successfully operated air line in Europe from an economic standpoint, and from latest figures, it is shown to be carrying passengers and freight on a scale comparing more than favorably with other European transport companies.

Daily Service to Europe

Daily services are operated from Croydon Airport, London, to Paris, Brussels, Cologne, Basle and Zurich. In summer, daily week-day services operate between London, Cologne, Leipzig, Prague, Vienna and Budapest and there are daily and week-end services to Le Touquet. Winter bi-weekly services operate to Nurnburg, Vienna and Budapest, while bi-weekly flights are made the year round to Rome. In England there is an associated company, Railway Air Services Ltd.

It is in long distance passenger routes that Imperial Airways has laid the basis for development of the North Atlantic route and gained the experience for transoceanic flying however. Services are now in operation from London to Palestine, the Persian Gulf, India, Burma, Siam and Malaya and Australia, the longest air routes in the world on which there are flights from England every Wednesday and Saturday. Singapore is reached by Imperial Airways in 8½ days from London, and Brisbane—12,754 miles away—is reached in 12½ days by air with 2 weekly departures from London. The journey to Brisbane by surface transportation requires about 32 days from London.

London to Hong Kong

Penang, in Malaya is the junction for the weekly Imperial Airways service to Hong Kong, a journey of 9.585 miles from London requiring 10 days. To South Africa, Imperial Airways planes fly on regular passenger schedule via Egypt and East Africa, leaving London twice a week, and there is a weekly air mail to Nigeria, 5,246 miles and 5½ days distant from London.

It is in this vast network that Canada is scheduled to become a unit. Great Britain's policy, announced some time ago, is to co-operate with air transport authorities in the U. S. for the North Atlantic air route. The U. S. will be reached via the Irish Free State, Newfoundland and Canada. Already arrangements have been made for Imperial Airways service from Bermuda to New York in co-operation with Pan-American Airways and British government authorities intend that the service from England to the U. S. in the North Atlantic shall be by way of the Dominion.

Until all tests are made, no accurate forecasts of schedules or flying time are possible in the journey from Canada to Great Britain by air. It is probable, however, that passenger flights will be on regular schedules twice weekly in each direction.

An Imperial Airways representative is now in Canada, in connection with the C.N.E. exhibit, but has no comment to make on the projected North Atlantic service.

Price of Bread Jumps In Nova Scotia Towns

From Our Own Correspondent

SYDNEY, N.S. — The price of bread has taken a jump of one cent per loaf in Halifax, Truro and other Nova Scotia towns, in line with increases in flour. The increase will mark the first change in bread prices in 8 or 10 years. The prevailing price is 10 cents wrapped and 9 cents for unwrapped bread.

On Cape Breton Island there has been no increase in prices. Prices range from 5 cents a loaf unwrapped to 10 cents wrapped in Sydney and the surrounding colliery districts.

N.S. Miners Feel Effect Of U.S. Row

They're Called On to Stand Behind Lewis Against A. F. L.

From Our Own Correspondent

SYDNEY, N.S.—The industrial war being waged in the United States between the American Federation of Labor and the industrial forces headed by John L. Lewis, international president of the U. M. W. has invaded the steel and coal centres of the Maritimes.

D. W. Morrison, president of District No. 26, U. M. W., states Nova Scotia coal miners will stand behind Lewis in his fight with the A. F. L. The U. M. W. controls 90% of the coal miners employed in the Nova Scotia fields.

"The officers of District No. 26, of course, like other districts, shall be guided by our international officers in the matter," Morrison said.

Started Back in 1931

"This matter of industrial unions first came up at the San Francisco convention of the American Federation of Labor in 1931. Then a resolution was adopted giving the executive council of the American Federation of Labor authority to issue charters to mass production industry employees' organization to organize along the lines of industrial unions.

"When the men started to organize along these lines the executive council of the American Federation of Labor contended the resolution passed at the San Francisco convention did not mean that they were to organize along these lines. Their interpretation was that the organization should be along the lines of craft unionism. That is what the present trouble is over."

Present plans call for the next convention of the A. F. L. to be held in Florida in October, and it is possible this date may be moved up to an earlier one.

Organize Steel Workers

Acting under instructions from the international officers of the U. M. W., Morrison and executive officers during the past month have been assisting in organizing the 3,000 steelworkers employed at the Sydney steel plant of the Dominion Steel and Coal Corporation into the Steelworkers of Nova Scotia. This organization work will be completed by October 1.

Seek Investigation Of Fire Insurance

From Our Own Correspondent

SYDNEY.—The Nova Scotia government has been asked to hold a general investigation into the fire insurance business as it is carried on in the province by the members of the Cape Breton Fireman's Fraternal Association.

This body is made up of firemen from all the departments on the Island of Cape Breton.

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Housing Plan Of Little Help To Low Earner

Bulk of Building Loans to Date in $5,000 Class

TO AIM LOWER

From Our Own Correspondent

OTTAWA.—Though the federal authorities are making the most of an increase in the approval of loans under the Dominion Housing Act in the past 2 months, it is obvious from the official statement recently released by Hon. Charles Dunning, Minister of Finance, that so far the Act has disappointed the hopes of its sponsors. It was drafted after the special enquiry in the spring of 1935. It is not touching the problem of housing the wage-earner in the lower and middle brackets at all, unless possibly in a small measure by indirect influence.

Loans Total 464

Up to mid-August a total of 464 loans aggregating $3,331,336 had been approved. As this represents the sum loaned by the Dominion and the private lending companies combined, it is clear that the progress to date represents less than 7% of the $50 millions housing construction scheme which it was hoped to launch by the passing of this legislation.

The average loan (Dominion plus private agency) under the Act to date is about $7,180; but as the total includes some apartment houses and other multi-family dwellings, the average loan per family-unit is reduced to just under $5,000. This shows that the Act is not facilitating the construction of many homes for industrial, semi-skilled workers or clerks in the lower-income group.

A few houses have been built within the means of the latter, Mr. Dunning pointing out in his statement that loans had been made for amounts running down to $2,000 and even as low as $1,400. The minister's statement adds that "on a $2,000 loan the carrying charges for interest and principal amortization (but excluding taxes) would be only a little over $13 per month."

Interest Increasing

There is ground for the assertion of the authorities that activity under the Act is steadily increasing. Totals for the various periods throughout the year being as follows:

D. H. A. Loans 1935

To:	Total No.
February 25	113
May 31	212
June 15	262
August 15	464

Thus in the past 2 months the number of applications was almost as great as for the previous year. At the same time it may be added that even at the accelerated pace of the past 2 months, which, of course, represents the weight of the building season, it would take another 5 years to use the whole $10 millions allocated under the Act.

The Act contemplates, of course, the provision by the prospective builder of a minimum equivalent, in cash or property, of 20% of the total cost of the project, as a minimum. Actually the builders are supplying nearer 25%, with the Dominion Government putting up 20%, and the lending companies the remainder. Adding the builders' or owners' equity to the loans approved up to August 15 ($3,331,336) it means that the building activity launched to date, making allowance for the real estate, is in the neighborhood of $4.5 millions.

80,000 Needed

The extent to which the Dominion Housing Act has assisted in remedying the shortage of residences in Canada may be seen from the estimates of the National Employment Commission that the shortage of adequate dwellings exceeds 80,000, while the Act so far has provided accommodation for only 667 families or less than 1% of what is needed.

The special committee of parliament put its finger on the difficulty when it showed that a house measuring up to modern standards for the average working man would cost, with land, $2,700, and with current interest rates, taxes, etc., would average a monthly rental of $25 a month.

But the masses of semi-skilled workers, manual laborers and clerks in the lower salary brackets, earning only $600 to $1,000 per year, cannot afford to pay more than $8 to $20 a month rent.

Investigate Further Help

To bridge this gap the Minister of Finance this week called in representatives of the mortgage companies co-operating under the Dominion Housing Act. As a result a committee has been appointed to discuss with housing officials of the Finance department ways and means of making the Act more available for the person with limited means.

The department, it is said, has no desire to authorize construction of buildings of inferior nature, likely to become slums in the early future; but is anxious to make the Act operate more quickly and extensively, and to bring in persons with more modest means, if possible. It is attempting to steer a skilful course between the authorization of jerry-building, and the restriction of aid to the people in the higher-income brackets.

It is believed that a major deterrent factor is the prevailing high rate of municipal taxation, and the fear that it will be higher rather than lower in the early future.

Pays Out $8,000 For Suggestions

A sum exceeding $8,000 has been paid out to employees of the Canadian General Electric Co. plant at Peterborough in recent years for useful suggestions adopted by the management, says Canadian Machinery.

Since the system was officially inaugurated on June 18, 1926, when boxes were placed in all convenient locations in the plant, over 5,700 suggestions have been submitted and approximately 45% adopted. The highest award paid to date, was $200 and the lowest $1. The second highest was $125, while there have been several awards of $100 and $75.

Building Society Makes Appearance

English Type Organization in Newfoundland—Ontario Interested

A building society based on similar organizations in Great Britain has been formed in St. John's, Newfoundland. Known as the Newfoundland Building and Loan Association Ltd., the principal object will be to raise a fund to assist members in the purchasing or building of homes.

Monthly deposits of the members themselves, it is expected, will make up the bulk of the funds needed, but bond issues and straight loans are also to be considered.

Simple interest of 6% will be charged members building or purchasing residences and it is expected, depending somewhat on the association's own earning power, that these will be paid off in from 15 to 20 years. Loans will be advanced up to 80% of the property value.

Somewhat similar organizations, it is understood, are being planned in Toronto, Hamilton, London and Ottawa though definite details are not yet available.

Flin Flon Copper Output 49 Million Pounds in 1935

Noteworthy advances in production were recorded at the Flin Flon copper mine in northern Manitoba last year. The tonnage was 1,620,393 compared with 1,477,341 in 1934. The mine produced over 49 million pounds of copper, 60 million pounds of zinc, 1,300,000 ounces of silver and 104,000 ounces of gold.

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Investment Trends

More Favorable Trends Seen Than Adverse Ones

Enemies Are High Taxes, Unbalanced Budgets, Unsettled Currencies, Drought and Unemployment—Earnings and Equities Gain Together

Favorite indoor sport of alert investors and investment dealers and brokers these days is to try and line up the favorable and unfavorable elements in the present economic situation. The Financial Post has given its own views on this matter repeatedly and has quoted the analyses of large banking institutions and of well-known economists.

Latest line-up has just come to hand from J. S. Bache & Co., an international firm of investment dealers with head office in the United States and offices in Canada, England, France and Egypt. In its current appraisal of the economic situation, the following 12 favorable and 8 unfavorable elements in the situation are given:

Favorable

1. Stocks in strong hands, thus minimizing forced selling.
2. Equity values have increased billions of dollars while brokers' loans have expanded but little.
3. High standard of U. S. Government credit.
4. Unprecedented volume of investment funds still seeking profitable employment.
5. Safety of the American dollar as against other currencies.
6. Enormous gold reserves of the Federal Reserve banks.
7. General improvement in business in most lines, with capital goods industries lately recording most substantial gains.
8. Undeniable evidence that the business cycle has turned well into the recovery phase.
9. Indications that third quarter earnings will compare as favorably with corresponding 1935 interval.
10. Likelihood of increased dividends to avert taxes on undistributed earnings.
11. The steady replacement of fear by confidence on the part of the American public resulting in greater willingness to utilize the increased purchasing power.
12. Presidential election with indications of a much better balanced House of Representatives.

Unfavorable

1. Civil war in Spain and the threat to general European peace.
2. The uncertainty of European currencies.
3. The unbalanced Federal budget.
4. Mounting taxes.
5. Possible drought effects on the national economy.
6. Threatened barrier to the upward trend of capital expenditures because of new corporate tax provisions.
7. Possible labor disturbances.
8. Large numbers of unemployed and continued need for their support out of the public treasury.

* * *

The foregoing summary specifically refers to the United States situation but many of the points mentioned apply as well to Canada and United States strength would be a favorable factor in Canada in any case.

The unfavorable factors, which are international in their scope, deserve the most careful attention. Even so Bache & Co. thinks that on the whole the situation appears to lean rather strongly to the constructive side. It is strongly influenced in this view by the fact that the business structure in the last 2 years has repeatedly demonstrated its ability to recuperate rapidly from shocks to sentiment. This tendency, says Bache & Co., is characteristic only of major recovery movements.

* * *

U. S. Tax Avoidance

SHAREHOLDERS of Canadian companies with United States subsidiaries may benefit somewhat from the general tendency of United States companies to pay as much in the way of dividends as possible before 1937 to avoid the new undistributed profits tax. The dividends must reach shareholders before the end of the year to avoid this potentially heavy tax. . . . For the future it is also possible that some of these companies may adopt the device of paying out all net profits in each year to avoid the same tax on undistributed profits. They would pay no more in cash than has always been done, but a stock dividend for the balance of net profits would help the shareholders as much as cash in the case of companies whose securities are listed and it would enable the companies to retain their cash for corporate purposes. Otherwise many of them would have either to pay the tax or to pay out everything in cash dividends and restore working capital by a stock or bond issue. So far as shareholders are concerned the disadvantage would be that they would have to pay income tax on the stock dividends just as much as though they were in cash. In the United States a dividend in preferred stock on common stock or in common stock on preferred stock is taxable, but a dividend in common stock on common stock is not.

* * *

Capital on Rampage

EXISTENCE of a socialist government in France keeps timid capital seeking every means of getting out of the country. That is what causes the demand in France for Bank of England notes and what keeps the Bank of England increasing its gold reserves. In spite of Blum decrees forbidding export of capital, it is getting out and seeking new ways of investment. Wealthy Frenchmen will not repatriate their foreign balances in the face of threats and are disguising their existence as much as possible. That money is still a factor in the stock market as well.

Dairy Cos. Sell More

HOT weather and drought have had conflicting effects on sales and profits of such companies as Borden's, Ltd., Eastern Dairies, Silverwood's, and Dairy Corp. of Canada. Ice cream sales have been excellent in central Canada, west of Kingston, where drought conditions prevailed, and not so good eastward where there was plenty of rain. Thus Silverwood's, Dairy Corp. and other companies sold more ice cream, but because of the new 2% sales tax and the slightly lower price they made a little less net profit on this business.

In no Ontario area need a shortage of milk be feared. The surplus available was so enormous that even drought conditions have not reduced it to a point to cause any anxiety. Butter and cheese prices are much higher and dairy farmers will receive millions of dollars more than last year.

Quebec Liquor Laws

A SHARP eye will be kept out by investors on changes to be effected in Quebec's liquor policy. The new Premier is pledged to end the 5-man commission now operating and to put in a general manager. It is said the government may go out of the retail business, returning the retail business to private hands as has been done in Ontario. That would involve much more selling expense by distillers and brewers in the effort to capture the market, but probably would not mean as much increase in beer sales as has occurred in Ontario where previously there was no retail vending by hotels and beverage rooms.

LOOKING AHEAD

Canadian investors have every reason for confidence in the ability of the Dominion to continue the progress which has been so marked since early 1933. Canadian business has moved steadily forward with impressive solidarity taking temporary set-backs in its stride in a manner that speaks well for the basic soundness of our economic structure. The securities of basically sound corporations afford an attractive field for investment.

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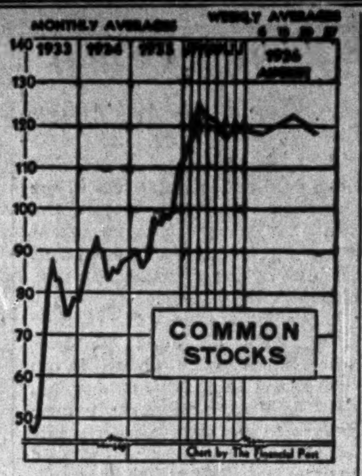


EASIER TONE

Prices of common stocks on Canadian stock markets eased off slightly in the week ended August 20, the general index suffering a fractional decline to 119.9 from 120.4 for the previous week. The index in the corresponding week of 1935 stood at 99.5.

United Amusements Corp. Earnings on Larger Scale

From Our Own Correspondent

MONTREAL. — Current earnings of United Amusements Corp., owning and operating a number of theatres in the Montreal area and vicinity, are reported to be experiencing a marked improvement. While no figures have been released by the company, income is said to be at a rate which will make the returns for 1936 appreciably higher than in 1935.

A report circulated to the effect the company was having difficulty with Famous Players Canadian Corp. over an agreement, whereby the former has first call on films that had received their first run in Famous Players' houses, is apparently without foundation. The agreement does not expire until 1939 and the matter of renewal or rearrangement of the terms has not been discussed.

Neal C. Head Quits International Paper

From Our Own Correspondent

MONTREAL.—Neal C. Head, vice-president of International Paper and Power Company since its formation, has resigned to become associated with the Phipps family interests. Mr. Head was an associate of A. R. Graustein, former president of International Paper and Power Company, in the Boston law firm of Ropes, Gray, Boyden & Perkins. He joined International Paper in 1925.

Manufactures Of U. S. Half World Figure

Though Nation Has But 6% of World's Population

STATISTICS COMPILED

A few weeks ago one of the best-known businessmen in the world leaned across a desk in Washington and made this statement:

"We, in the United States, only represent 6% of the world's population but we manufacture 50% of everything manufactured in the world."

Everyone knows the fondness of Americans to boast about their industrial power but such a sweeping statement as this seems at first glance to be drawing a mighty long bow.

Thomas J. Watson Speaks

The man who made this statement was Thomas J. Watson, president, International Business Machines Co. and renowned for his outstanding contributions to international business affairs. If anyone should know what he is talking about, it is Mr. Watson, for his company does business in 79 countries of the world.

Accordingly, The Financial Post wrote this company to ask for the factual evidence behind such a sweeping statement and from E. F. Hartley, executive-secretary, comes a 4-page tabulation, giving latest available figures for the populations, number of wage earners and value of products manufactured in over 50 world countries.

World Manufactures $104 Billions

This tabulation places total world manufactures in 1930 at just over $104 billions, of which the United States claims 49.3%. In the same year world population was placed at just over 2 billion people of whom 122.7 million, or 6.1%, are in the United States.

In an adjoining column is published this most interesting compilation, which has been made available to The Financial Post by the company together with the following comment:

"The value of products manufactured under the 'factory system' in the world outside of the United States is $52.9 millions. This total is obtained by including the latest data from every available source and including carefully made estimates for countries which do not report exact data as to the value of products. Industrial census reports for the countries of the world cover a range of years from 1925 (in a few instances) to 1934.

"The value of manufactured products to the United States during the past 4 census years ranged from $31.3 billions in 1933 to $70.4 billions in 1929, an average yearly production of $51.4 billions. This period covers approximately the same period for which data are available for other countries.

"Combining these 2 figures we find that the total value of all products manufactured in the world amounts to $104.3 billions. The United States therefore produces 49.3% of the factory products of the world. In converting other currencies to dollars the average rate of exchange for the year of the manufacturers' data was used."

In respect of Russia an interesting footnote is appended stating that separate statistics of manufacturers in this country are not available. The combined value of products of manufacturing, mining, and electrical industries was reported as 46 billions paper rubles for 1933. Estimating manufacturing at one-third of the total in view of the great importance of mining and electrical industries in that country and considering the paper ruble to be worth 20 cents gives the total as shown in the adjoining columns of just over $3 billions.

Comparison of population and manufacturing output for the 6 continents of the world is shown below.

	Population 1930	Value of manufactured products $
N. America	150,850,000	53,744,712,000
S. & C. Amer.	100,650,000	2,449,366,000
Europe	505,730,000	40,943,278,000
Asia	1,103,300,000	5,115,309,000
Oceania	9,880,000	1,690,600,000
Africa	142,400,000	383,121,000
World total	2,012,810,000	104,326,386,000
U. S. total	122,775,000	51,387,613,000

Comparison of World Manufacturing Output

The estimated population and manufacturing output (factory system) of leading world countries is as follows:

ESTIMATED POPULATION AND MANUFACTURING OUTPUT (Factory System) of Leading World Countries

Country:	Population Year	Population Number	Manufactures No. of Wage Earners	Manufactures Value of Products in Dollars $
North America:				
United States	1930	122,775,000	7,430,000	51,387,613,000
Canada	1934	10,835,000	399,000	*1,919,065,000
Newfoundland	1934	286,000	....	13,707,000
Mexico	1930	16,525,000	319,000	434,327,000
South and Central America:				
Brazil	1934	46,429,000	....	*537,300,000
Argentine	1934	12,164,000	398,000	*895,765,000
Colombia	1934	8,893,000	....	54,855,000
Peru	1933	6,700,000	19,000	14,090,000
Chile	1930	4,287,000	296,000	886,540,000
Cuba	1934	3,968,000	....	*19,872,000
Venezuela	1934	3,324,000	....	16,749,000
Ecuador	1934	2,600,000	....	5,606,000
Uruguay	1933	1,993,000	94,000	†202,653,000
Puerto Rico	1930	1,544,000	....	‡25,116,000
Jamaica	1933	1,090,000	....	303,000
Honduras	1934	963,000	....	*250,000
Paraguay	1933	900,000	....	3,421,000
Trinidad and Tobago	1934	432,000	....	6,843,000
Europe:				
Soviet Russia	1933	165,748,000	....	3,066,667,000
Germany	1933	65,143,000	8,999,000	12,206,000,000
United Kingdom	1934	46,755,000	4,551,000	†12,096,905,000
France	1931	41,835,000	3,896,000	*4,500,000,000
Italy	1934	42,625,000	2,766,000	▲3,196,149,000
Poland	1934	33,024,000	441,000	■725,709,000
Spain	1934	24,242,000	....	12,231,000
Rumania	1934	18,792,000	166,000	*272,540,000
Czechoslovakia	1935	16,095,000	....	§814,746,000
Hungary	1934	8,896,000	....	•394,303,000
Belgium	1934	8,276,000	1,481,000	†746,907,000
Netherlands	1935	8,400,000	118,000	•248,518,000
Portugal	1934	7,177,000	....	*3,626,000
Austria	1934	6,760,000	1,439,000	†320,242,000
Greece	1934	6,705,000	230,000	94,634,000
Sweden	1934	6,233,000	....	†897,486,000
Bulgaria	1934	6,090,000	79,000	*29,991,000
Switzerland	1932	4,120,000	314,000	‡515,896,000
Denmark	1930	3,551,000	270,000	♦105,329,000
Finland	1933	3,739,000	141,000	202,652,000
Irish Free State	1934	3,013,000	....	†116,335,000
Norway	1930	2,814,000	105,000	‡309,899,000
Lithuania	1935	2,476,000	26,000	*7,687,000
Latvia	1935	1,951,000	71,000	*39,268,000
Estonia	1934	1,126,000	46,000	■16,557,000
Asia:				
China	1935	453,815,000	300,000	*328,189,000
India	1931	352,987,000	1,197,000	1,364,986,000
Japan	1933	96,034,000	1,901,000	3,098,160,000
Turkey	1935	16,201,000	69,000	•78,835,000
Philippine Islands	1934	13,055,000	....	*198,979,000
Palestine	1934	1,140,000	35,000	39,418,000
Hong Kong	1933	923,000	....	‡8,742,000
Oceania:				
Australia	1935	6,724,000	406,000	•1,291,368,000
New Zealand	1935	1,557,000	73,000	•371,610,000
Hawaii	1935	384,000	....	*27,622,000
Africa:				
Union of S. Africa	1933	8,600,000	280,000	383,121,000

*Previous year. †1930. ‡1934. °1926. ▲1927. ■1935. §1929. •1933. ♦1925.

Note—The following countries of the world with estimated population in each case were those for which no figures of manufacturing production were available: Bolivia, 3,000,000; Haiti, 2,555,000, Guatamala, 2,246,000; El Salvador, 1,574,000; Dominican Republic, 1,478,000; Nicaragua, 750,000; Costa Rica, 565,000; Panama, 467,000; Jugoslavia, 14,730,000; Albania, 1,003,000; Malta, 255,000; Dutch East Indies, 60,727,000; French Indo-China, 21,652,000; Siam, 12,743,000; Persia, 10,000,000; Ceylon, 5,463,000; Malaya, 4,414,000; Iraq, 3,300,000; Syria, 3,200,000; all the countries of Africa with the exception of Union of South Africa.

Investment Notes

Canadian Oil Cos. — Embarrassment is being caused officials of this Canadian company by activities of alleged investment brokers in England. Investors Chronicle indicates that units are being offered British investors based on holdings of Canadian Oil Cos. shares. Some years ago Ford Co. of Canada and other companies on this side were embarrassed similarly by sales of units based on their shares. In those old cases unit sales were at prices far out of line with market prices for company stock held. Units are being offered for 10 shillings each. Canadian Oil Cos. stock sells at less than $13 a share. The relation between units and the shares is not disclosed.

* * *

Walker, Distillers Corp.-Seagrams. —Collections of United States liquor tax this summer are 25% ahead of last summer. These Canadian companies are participating in the increased business this indicates.

* * *

Imperial Oil, B. A. Oil, McColl-Frontenac.—These companies with refineries in Montreal are doing larger business than a year ago. In spite of the tariff decline imports of gasoline have been less this summer and imports of crude petroleum for refining have been more to the port. As Montreal was the chief competitive area in Canada affected by price competition this indicates that companies are holding their own there. Increased gasoline sales in United States in summer may have reduced pressure as well.

* * *

Canadian Hydro's report on revenues for the second quarter of 1936 will interest holders of the company's first preferred stock. While the surplus was sufficient to cover dividends twice over, no action was taken by the directors in declaring payment. The drop in Ontario Hydro revenue is beginning to be reflected in the accounts, but the higher income from other sources lends hope for a resumption of dividends in the not too distant future.

* * *

Burry Biscuit Co.—The new common shares of the company are to be called for trading on both the Toronto and Detroit Stock Exchanges August 24, on an if, as and when issued basis. Shareholders recently approved a split of the company's common shares 4 for one.

McLellan, McFeely & Prior Ltd.—Continuing its programme of expansion the company has acquired a location for a retail hardware store in the heart of the Vancouver shopping district. The company has also expanded its Vancouver wholesale establishment. It hopes to reap increased business from the current building activity in Vancouver.

* * *

International Nickel Co.—The recent rise of $10 an ounce in the price of platinum is of considerable importance to this company, which is the world's largest producer of platinum metals. Obtained as a by-product to its nickel production, the company sold 128,874 ounces of platinum metals in 1935, compared with 124,424 in the previous year. Since the end of 1935 the retail price of platinum has advanced from $35.50 to $53 an ounce.

* * *

Quebec Power Co.'s common stock has shown signs of greater strength, due in part to the renewal of confidence in utility stocks following the provincial election and to expectations of higher earnings. The company's report for the half year indicated that demand was offsetting the reduction in rates, so that share earnings for 1936 should be somewhat higher than in 1935.

* * *

Donnacona — Semi-annual interest of 1½%, due on the new bonds of Donnacona Paper Co., is payable on exchange of securities. Further, prior to August 1, the company's bonds sold on a "flat" basis, but are now sold "and interest."

* * *

Western Steel Products Ltd.—Reorganization scheme for this company can be expected to be announced in the near future. The Financial Post is informed that the legal difficulties which were holding it up have been ironed out satisfactorily, and the matter is now before the Department of the Secretary of State for Canada.

* * *

Brompton—The calling for redemption of McCrea-Wilson Lumber Co. bonds, an underlying charge against Brompton Pulp & Paper Co.'s earnings, should tend to strengthen the latter's position. Public investment interest in Brompton is represented by the A stock of St. Lawrence Corp.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	257.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
Weekly Figures, 1936:										
Aug. 6	127.5	18.9	87.5	219.3	68.8	157.0	128.9	189.3	53.4	118.5
Aug. 13	129.3	18.3	87.7	223.9	68.1	158.4	130.7	193.5	53.1	120.4
Aug. 20	128.4	18.3	88.9	222.4	68.5	157.4	133.2	193.0	52.7	119.9

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Aug. 25	133.63	141.18	139.93
Aug. 24	133.52	140.60	139.64
Aug. 22	133.21	140.68	139.61
Aug. 21	132.31	140.86	139.31
Aug. 20	134.89	143.23	142.62
Aug. 19	134.70	143.38	141.74
Month ago	133.96	149.52	145.34
Year ago	111.56	99.08	98.28
High, 1936	143.48	150.46	148.12
Low, 1936	125.71	113.97	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 25	70.8	75.5	73.9
Aug. 24	70.5	75.3	73.7
Aug. 22	70.3	75.5	73.8
Aug. 21	70.1	75.6	73.7
Aug. 20	71.0	76.3	74.5
Aug. 19	70.8	76.1	74.3
Month ago	71.3	76.3	74.7
Year ago	61.8	59.1	59.8
High, 1936	73.4	78.4	76.6
Low, 1936	67.2	69.9	68.9

Newsprint Securities. 7.

Brompton

Strong Liquid Position Attracts Attention — Earning Power Coming Back Rapidly — Represented by St. Lawrence "A"

From Our Own Correspondent

MONTREAL.—Investment interest in Brompton Pulp and Paper was diverted to the class A stock of St. Lawrence Corp., in 1930 when an exchange of securities took place.

The history of Brompton, both in operations and earnings, has not been unlike those of the other operators in the last 4 or 5 years. A limited volume of business and low prices cut down earnings to a point where relatively heavy operating losses have been recorded.

Brompton's activities are more diversified than the average newsprint company. It has 2 mills, one at East Angus with an annual capacity of 35,226 tons and the other at Bromptonville with a rating of 38,625 tons annually. The former is now closed down.

Paper Output Trend

Back in 1930 the company turned out 55,856 tons of newsprint paper. Production declined sharply the following year. In the last 3 years it has remained at a level permitting capacity operations at the Bromptonville plant. The trend follows:

	Tons
1930	55,856
1931	38,077
1932	*30,000
1933	*38,000
1934	*39,600
1935	*36,800
1936	*40,000

*Estimated.

Practically all of the newsprint tonnage made by Brompton has been for the Hearst newspapers. This contract—running up to a maximum of 40,000 tons yearly—expires this year. The price at which the business was taken was so low that it is doubtful if the company did more than earn overhead expenses; certainly there was no contribution in a substantial way to net earnings.

Kraft Paper Helpful

One of the major subsidiary interests of Brompton is the manufacture of kraft paper, not only in Canada, but in the United States through the Claremont Paper Co. The Canadian unit has a capacity of about 30 tons daily, while the American mill turns out 70 tons daily. The market for this type of paper has been favorable of late, one of the principal reasons for Brompton earnings again being in the black. In addition to kraft, Claremont turns out other types of paper, the profit on which is of importance to Brompton's general welfare.

Another activity of Brompton's centres in the McCrea-Wilson Lumber Co. This firm owns timber limits in Canada and the United States. While its operations have been limited, earnings have been sufficient to cover a small bonded debt, which the parent company guarantees as to both principal and interest. The position of this debt will be discussed more fully when considering the financial set-up of the company.

Past Record Favorable

In years gone by these consolidated activities of Brompton resulted in a well-established earning power. From 1917 to 1921, the company paid dividends on its common stock. The post-war depression resulted in the passing of dividends until 1926 when they were again resumed. Up to 1930, $2 a share was paid. An interim dividend of 25 cents a share was distributed in 1931, since which no payments have been made.

The manner in which operating profits have been affected by the falling off in demand for newsprint and decline in price, is seen in the following table:

	Income available for interest and depreciation
1931	$174,322
1932	670,931*
1933	262,350*
1934	214,702
1935	212,086

*Loss.

Part of St. Lawrence Corp.

Before surveying the current financial position and immediate prospects of Brompton, it is well to consider how the company fits into the St. Lawrence picture.

About the middle of 1930, interests associated with Brompton, St. Lawrence Paper Mills and Lake St. John Power and Paper formed a holding company known as St. Lawrence Corp.. In June an exchange of securities was effected; Brompton shareholders receiving one class A share of St. Lawrence Corp. for each share of common held. Thus the senior stock of St. Lawrence Corp. is representative of Brompton, as only sufficient shares were issued to cover the Brompton exchange; in other words, 300,000 shares.

Look to Brompton

Any income received by St Lawrence Corp. from its holdings in Lake St. John Power or St. Lawrence Paper Mills naturally would go toward covering the $2 cumulative dividend on its A stock, as well as all the available net income of Brompton. So far there has been no income from holdings in St. Lawrence Paper Mills or Lake St. John Power, while Brompton's earnings have been swallowed up in "depreciation" reserves.

There is no immediate likelihood of St. Lawrence Corp. receiving income from Lake St. John or St. Lawrence Paper Mills, and for that reason holders of the A stock look to Brompton.

Strong Working Capital

Brompton's last balance sheet, dated December 31, 1935, showed a strong position. Water power, timber limits and plants were carried on the books at $18 millions. Current assets aggregated just over $2 millions, against which current liabilities totalled only $461,395, leaving net liquid assets of better than $5 a share on the A stock of St. Lawrence Corp. Included among the deferred assets was an item of $275,466, representing an amount owing from St. Lawrence Paper Mills.

On the liabilities side of the balance sheet, current items included a bank loan of $34,081 which has since been liquidated. The only other charge ranking ahead of the common stock were the bonds of McCrea-Wilson Lumber Co. totalling $256,000.

Changes for Better

Since the turn of the year developments have taken place which have strengthened the company's financial position. St. Lawrence Paper Mills settled its account with Brompton on a cash basis and with the proceeds Brompton called in the McCrea-Wilson bonds. Consequently the 1936 statement will show the bonds eliminated, leaving the common stock, represented by St. Lawrence Corp. Class A, as the sole charge against earnings.

Write-down Assets

Last April shareholders approved a plan to write-down the value of the common stock in order to reduce the book value of fixed assets to present day figures. As a consequence the fixed assets were reduced from $18.2 millions to $8.4 millions and the accumulated deficit on operations amounting to better than $1 million was replaced with a book surplus of $75,574. Book value of the common stock as a result, was lowered from $15 millions to $7.5 millions and the reserves for depreciation and depletion were lowered from $5.2 millions to $1.9 million. This move was of importance inasmuch as it will allow the company to lower depreciation charges and thereby increase the amount of net earnings available for the common stock.

Larger Income in 1936

Not only has the current financial position been improved, but Brompton has added appreciably to its earning power. At the beginning of 1936 contract prices on newsprint were advanced $1 a ton. The greater part of this increase represents an addition to net profits. With other activities holding up, prospects are that the income statement for 1936 will show a gross revenue of from $300,000 to $350,000, compared with a corresponding figure of $212,086 in 1935. How much of this will be available on the capital stock, depends on the extent of the write-offs for depreciation. These charges will be as large as permissible as there is no call to pay dividends at this time.

New Hearst Contract

As mentioned, Brompton's contract with Hearst covers practically all of its newsprint business. The contract expires this year and naturally much importance attaches to its renewal and the basis of terms. While there has been no official announcement, it is understood that the life of the contract has been lengthened at the 1937 price of $42.50 a ton.

A highly important feature of the Hearst contract is the price. The new rate of $42.50 represents far more than an otherwise nominal increase of $1.50 a ton on the 1936 schedule. When this contract was made several years ago a very liberal commission was paid to Hearst. This "bonus" is said to be eliminated in the terms of the new agreement. Therefore net returns on the Hearst tonnage will be substantially more than indicated by the $1.50 advance, so that the company may show an operating profit of between $500,000 and $600,000 in 1937 on the basis of present prospects.

Price Appears Moderate

Though the official price increase on newsprint for 1937 has been disappointing to newsprint security holders, it would appear that Brompton's earning power over the next 15 months should improve to an appreciable extent. Allowing $300,000 for depreciation and assuming that earnings reach as high as $600,000 in 1937, there would be $1 a share available on St. Lawrence Corp. A stock. On the basis of speculative possibilities between now and the end of next year, the current market price of between 11¾ and 12 would seem moderate.

As a matter of interest the price range of St. Lawrence Corp. A stock follows:

	High	Low		High	Low
1930	$27.50	$7.62	1934	$11.87	$5.50
1931	12.00	2.50	1935	9.50	3.00
1932	4.00	1.12	1936	13.75	8.00
1933	12.50	1.00	Current	11¾-12	

Great Lakes Power Company, Limited

4¼% First Mortgage Bonds
Due Sept. 1st, 1956
Denominations: $1,000 and $500.

Established 1916, Great Lakes Power Company, Limited generates and sells hydro-electric power to the City of Sault Ste. Marie and surrounding communities, to large industrial users and to mining developments in the territory.

Earnings of the Company have increased steadily during the past four years, and for the year ended December 31st, 1935, after provision for retirement allowance, amounted to 2.9 times interest requirements on this new issue of $4,250,000 First Mortgage 4¼% Bonds.

Price: 99.50 and interest, yielding 4.28%

We shall be glad to forward descriptive circular upon request.

Wood, Gundy & Company Limited
Toronto Montreal Winnipeg London, Eng.
36 King Street West Toronto TELEPHONE: ELGIN 4321
Ottawa Hamilton Vancouver London, Ont.

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

Westinghouse radios will be featured in an extensive advertising programme this fall, the opening announcement coming Sept. 1. A series of quadri-color pages will be used in all leading magazines, backed up by full page black and white space in the magazines and by national newspaper advertising in key cities. A radio programme has been arranged for Western Canada. This year's campaign is the most extensive national advertising ever put behind the Westinghouse radio.

* * *

Commencing Sept. 1 with a full page in Canadian magazines, the new Palmolive soap campaign announces "Now the lovely Dionne Quintuplets use only Palmolive." The advertising will also appear in every leading daily and farm paper. It will use larger space than the regular Palmolive copy running and will be supported by store displays and promotion material. The advertising is directed by Lord & Thomas of Canada Ltd.

* * *

Neal and Reed have prepared a campaign for the Canadian Institute of Plumbing and Heating, to be released shortly to a wide list of daily and weekly papers in Ontario and Quebec. The campaign is a co-operative one in the interests of the plumber and is a new service developed by the Institute.

* * *

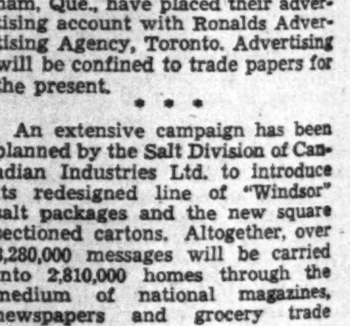
Collins and Aikman Ltd., mohair and upholstery manufacturers, Farnham, Que., have placed their advertising account with Ronalds Advertising Agency, Toronto. Advertising will be confined to trade papers for the present.

* * *

An extensive campaign has been planned by the Salt Division of Canadian Industries Ltd. to introduce its redesigned line of "Windsor" salt packages and the new square sectioned cartons. Altogether, over 8,280,000 messages will be carried into 2,810,000 homes through the medium of national magazines, newspapers and grocery trade papers.

* * *

Tendra, a new development in the food field has begun advertising in a wide list of newspapers and trade papers across Canada, under the direction of Neal and Reed. Manufactured by the Perfect Mfg. Co., Cincinnati, O., Tendra is designed to tenderize all meats rapidly.



Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

INVESTMENT SECURITIES
BONDED CORPORATION LIMITED
80 King Street, West, TORONTO
ADelaide 7408
Montreal Quebec Saint John

Bond Markets

Seasonal Doldrums Felt in Bond Market

Beauharnois 5's Appreciate Sharply—Canada Cement to Refund Bonds—Western Municipals Inactive

Like a ship becalmed in seasonal doldrums the bond market is at a standstill. The steady upward trend of recent weeks has been stopped for the time being at least. This has not been due to any lessening in the volume of funds seeking investment but rather to the usual summer quietude in trading. While offerings have been steadily taken up, few bonds have changed hands.

The scarcity of high-grade issues continues. Despite the profits obtainable through liquidation at current high levels, bond investors are not inclined to jettison their holdings because of the difficulty of reinvesting at a profitable rate.

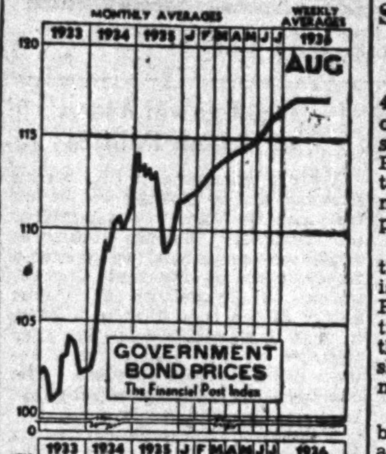
Announcement that Canada Cement Co. plans to refund its 5½% first mortgage bonds explains the recent fluctuations of this issue. The bonds are callable at 104. It is understood that the refunding issue will consist of 3% and 3½% short-term serial bonds and 4¼% sinking fund bonds.

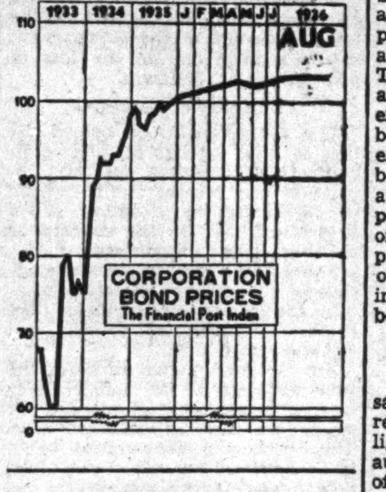
Recent activity in Beauharnois Power 5's, due 1973, has sent the price of these bonds to 47.50. This compares with 24.75 on June 1 and 42.75 a week ago. The position of the bonds has been materially improved by Montreal Light, Heat and Power Co.'s conversion offer to the holders of first mortgage bonds of Beauharnois Light, Heat and Power Co. In addition, a bondholders' committee has been appointed to submit a plan for improving the position of the bonds.

Reflecting market reaction to the recent reduction in grain carrying rates on the Great Lakes, Canada Steamship bonds have eased off 2½ points to 49.

Western Municipals

MOST investors continue to regard Western Canada municipal bonds as a class rather than as securities which should be judged on their individual merits. A specialist in Western Canada municipals informs The Financial Post that it is almost impossible to sell a western municipal bond to most investors in Eastern Canada. The general feeling seems to be that because the municipality is located in the west its bonds are not a good investment.





Nothing can be farther from the truth. Actually the West has a better record than Ontario as regards municipal defaults, although more of larger Western municipalities are still faced with serious financial problems than is the case in the East. However, there are in the West a large number of municipalities which have come through the depression in a sound condition and Eastern investors should be willing to recognize this. There is no danger of a general cut in interest on Western municipal bonds. Unfortunately the Calgary and Vancouver agitations seem to have given the investor such an impression.

A few discriminating investors have recently been making purchases of some of the better Western municipal bonds, such as Lethbridge and North Battleford. At current levels the yields are attractive. A few also have been buying some of the more speculative issues such as Regina, Saskatoon, Calgary and Edmonton. These bonds yield from 8 to 10% on the basis of present prices.

• • •

Trade In Securities

INTERNATIONAL trade in securities between Canada and other countries was heavier during the first half of 1936 than in the corresponding period of 1935. The total value of sales by Canada to other countries during the 1936 period was $158.8 millions and the value of purchases by Canada from abroad, $153.4 millions. Sales by Canada in the first 6 months of 1935, on the other hand, amounted to $131.9 millions and purchases by Canada to $105.1 millions. Thus in 6 months ended June 30, 1936, there was a surplus of sales by Canada over purchases of $32.4 millions, while in the same part of 1935 the surplus of sales amounted to $26.8 millions. Sales of new issues of Canadian securities outside of Canada, such as the $48 millions issue of Dominion of Canada bonds sold in New York in January of this year, are not included in these figures.

Despite the fact that the premium on sterling funds at Montreal increased, sales by Canada to Great Britain in June declined $2 millions from the previous month. However, purchases by Canada from Great Britain also declined so that sales by Canada to Great Britain were in excess of purchases by Canada from Great Britain for the first time in 4 months. The excess, however, was small amounting to only $210.

As between Canada and United States, sales and purchases both increased in June as compared with the previous month. Sales by Canada to United States for the month were $17.3 millions and purchases by Canada from United States, $19.2 millions. Thus for the second consecutive month Canada purchased more securities from U. S. than U. S. citizens purchased from Canada.

• • •

Market Trends

QUIET but firm describes the high-grade government bond market. Recent trading has been very light and price changes have been fractional.

Eastern provincial issues have followed the market for federal issues. Offerings have been small. There appears to be little likelihood of new issues in this group in the near future.

Prices for Manitoba and British Columbia issues have strengthened slightly. Alberta issues continue inactive with prices remaining stationary.

The trend of the market for high-grade government bonds is indicated below:

The Financial Post Average Price and Yield for High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Aug. 25	117.50	3.000	Aug. 25	113.12	3.483
Aug. 24	117.50	3.000	Aug. 24	113.21	3.476
Aug. 22	117.50	3.000	Aug. 23	113.24	3.474
Aug. 21	117.50	3.000	Aug. 22	113.33	3.467
Aug. 20	117.51	3.000	Aug. 20	113.25	3.476
Aug. 19	117.48	3.003	Aug. 19	113.21	3.479
Aug. 18	117.56	2.997	Aug. 18	113.15	3.493
Year's	117.62	2.990	Year's	114.97	3.367
Range	111.30	2.597	Range	106.57	4.097

Viau Biscuit Plan Passed

Net Set-up Reduces Cumulative Charges; Only One Preferred

From Our Own Correspondent

MONTREAL. — Shareholders of Viau Biscuit Corp have approved changing the name of the company to "Viau Ltd." and the capital reorganization plan sponsored by the company.

During the 3 years ended 1934 the volume of business handled by the company was reduced to such an extent that net profits were insufficient to allow payment of cumulative dividends on its preference shares. Though business has improved since, the company is unable to absorb the increased sales tax on its products and at the same time pay 7% dividends on its 2 classes of preference stock. The cumulation of accrued dividends which will amount to $445,935 at the close of this year, affects all classes of the stock.

Plan Meets Approval

A plan of readjustment was drawn up by the directors and submitted to shareholders for approval. Under this plan the following exchange of stock will be made:

For each 7% cumulative first preferred share and all arrears accrued to the end of 1936, will be given one new 5% cumulative preferred share, plus 2 new common shares; for each 7% cumulative second preferred share and all arrears to the end of 1936, will be given 5 new common shares of no par value; and for each new common share of no par value will be given one-tenth share of new common stock of no par value.

Upon completion of the plan, the company will have an authorized capital of 15,000 shares of 5% cumulative preferred shares of a par value of $100 each, of which 9,460 will be issued; and 100,000 shares of no par value common stock, of which 44,920 will be issued

Canada Malting Co. Changes Fiscal Year

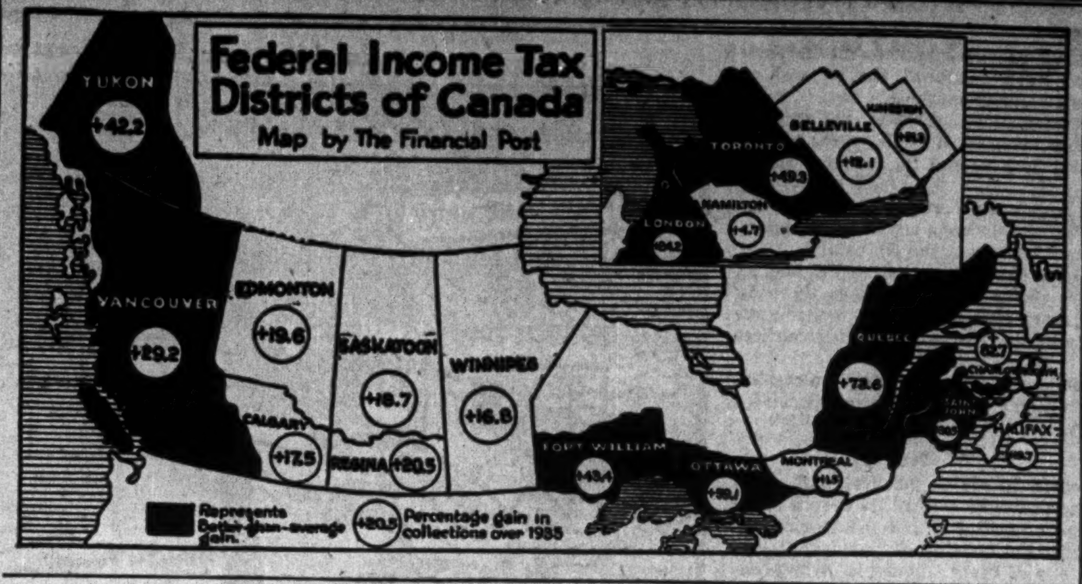
Directors of Canada Malting Co., Ltd. have decided to change the end of the company's fiscal year from July 31 to Dec. 31, according to letter sent to shareholders by A. C. Matthews, president.

As a result no statement will be issued for the year ended July 31 last, but a balance sheet and profit and loss account for the 17 months ending Dec. 31 next will be prepared and presented to shareholders as soon thereafter as possible.

Dealing with operations in the 12 months ended July 31, Mr. Matthews states profits were slightly in excess of the $2.86 a share earned in the previous fiscal year. The company's working capital position has been well maintained. Export business again played an important part in the company's showing as it represented about one-third of the total business. Domestic business increased slightly.

Prairie Electric Output Rises

Hydro-electric power production in the Prairie Provinces for the first quarter of 1936 increased 91 million kw.h. over the first quarter of 1935.



Seek Special Treatment For Some Alberta Bonds

Saving on One Issue Accrues to Alberta Wheat Pool

SELL AT HIGHER PRICE

From Our Own Correspondent

EDMONTON.—Holders of Alberta 4½% bonds due 1951, which were originally issued to the banks in settlement of the province's Wheat Pool guarantees, are planning protective action apart from that which may be taken by the bondholders' protective committee.

Since the saving resulting from the cut in interest on this particular issue accrues to the Alberta Wheat Pool rather than to the provincial treasury, the feeling of holders of these particular bonds is that they should be granted preferential treatment.

At the time of issuance of the bonds, the Alberta Wheat Pool agreed to reimburse the province for principal and interest in annual amortization payments of $453,000. This covers principal and interest at the rate of 5% per annum, the extra one half of one per cent being provided to take care of exchange premiums since the bonds are payable in New York as well as in Canada. The contract provides, however, that at the end of the contract period any excess paid by the pool to the government over its actual disbursements for interest, principal and expense shall be refunded to the pool.

Saving Accrues to Wheat Pool

Thus the situation arises that any saving arising out of the province refusing to meet its contractual obligations on this particular issue will automatically accrue to the benefit of the Alberta Wheat Pool. The government will be making no permanent saving for itself but will be building up another and corresponding contractual obligation. While the bondholders are not in a position to enforce their contract, the Alberta Pool will be able to enforce its contract by applying the principle of a contra account.

Since the Wheat Pool and not the government will reap the benefit of the interest cut, holders of this issue of bonds contend that their bonds should be treated as if they were secured by a specific pledge of the payments to be received from the Wheat Pool.

Bonds Widely Held

The bonds, it is understood, are widely held. When delivered to the banks in 1931 there was an understanding that they would not be disposed of for at least 2 years so as to guard against the possibility of the province having to pay a premium for U. S. funds for that length of time. While one bank is believed to have its original holdings practically intact, it is understood that the others have disposed of their holdings since 1933.

Bonds Accepted by Government

Exception is also taken by some bondholders to the plan followed by the previous government in accepting payments from the Alberta Wheat Pool. Although the contract calls for specific cash payments, the previous government permitted the Pool to turn in Alberta bonds at 98. The accounts of the Pool show that it has made a saving of $96,000 by purchasing bonds in the open market and turning them over to the government. On the basis of the present bid price of 70 for the bonds the pool can make a saving of $126,840 on its 1936 payment alone by purchasing bonds in the open market and turning them over to the government in lieu of cash.

In the agitation for preferential treatment of this issue of bonds and the previous policy of the Pool of purchasing bonds to meet its annual payments to the government lies the explanation of the higher price which the Alberta 4's, due 1951, have commanded throughout recent months. These bonds are quoted at 72 bid, 75 asked, while 4% bonds are quoted at 62 bid, 66 asked, and 5% and 5½% bonds at 66 bid, 70 asked.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
B. A. Oil	‡4%	1945	Sept. 1	102½
Dom. Canners	6%	1940	Oct. 1	110
Mt. Royal T.&T.	5%	1970	Oct. 15	105
Thetford-Vimy	7%	1944	Sept. 1	100
Silverwood's A	6%	1942	Sept. 1	103
Toronto Carpet	*6%	1944	Sept. 1	103
Tor. Conser. of Music	5%	1948	Sept. 1	102
Ottawa L. & Pr.	•5%	1957	Oct. 1	104
Prov. L. H. & Pr.	▲5%	1946	Sept. 1	105
McC. Wilson Lumber	6%	1939	Oct. 1	102
Wood, A. & J.	†6%	1944	Oct. 2	103

For sinking fund: ‡$222,000; *$33,000; ▲$55,000; •$70,000; †$21,500.

Stock Issues:	Rate	Stock	Date	Price
Ottawa L. & Pr.	6½%	Pref.	Oct. 1	105

Religious Issues

Notre D. Hospital, Montreal, 5½%, Oct. 1, 102.

Jesuit Fathers of Upper Can., 5%, Nov. 1, 100.

Bond Tenders

5 p.m., Aug. 31, Sch. Comm. of Outremont—$115,000, 4% bonds dated Aug. 1, 1936, redeemable serially 1937 to 1966. Roland Belleau, sec.-treas.

Sept. 8, Ste. Agathe des Monts—$15,000, 3½ or 4%, dated Aug. 1, 1936, redeemable serially Aug. 1, 1937 to Aug. 1, 1956.

Municipal Finances

London, Ont., direct relief bill for July amounted to $36,297, of which the city's share was $12,147. This is a drop of $900 in total costs and $700 in the city's portion from June. Administration costs were $164 higher than in preceding months, but $700 lower than in July of last year.

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Winnipeg, Man., has been balked by legal difficulties in its plan to provide work for home owners in arrears with their taxes. In this way it was hoped that some home owners would be able to wipe out their tax arrears. Before the scheme can be gone ahead with legislation will have to be obtained from the Manitoba legislature authorizing the proposed projects.

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Windsor, Ont., has over-spent its budget for the first 7 months of this year by $206,780. Relief costs have been the principal factor, exceeding the estimate by $151,570. Although the Windsor Finance Commission has been abolished, the city remains under the supervision of the Ontario Department of Municipal Affairs. The Department does not propose to interfere with expenditures by the council as long as it remains within its budget. However, R. J. Moore, official of the Department of Municipal Affairs, has been stationed in Windsor in a supervisory capacity.

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Calgary, Alta., reports a decrease of about $100,000 in receipts for the first 7 months of the year, compared with the corresponding period of 1935. Receipts from all sources to the end of July, 1936, totalled $3,070,130, compared with $3,171,682 last year. Tax collections accounted for $80,000 of the decline, collections from all departments totalling $2,886,618. Included in this total are collections of arrears of $439,969. The original levy set by the council was below the 1935 rate, but the recent increase in the mill rate is expected to result in increased revenue to the city before the end of the year.

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Winnipeg, Man., reports an improvement in the operation of its hydro-electric system during the first 6 months of the year. J. G. Glassco, manager, states the bi-annual report will show earnings of $30,000 to $40,000, as against a deficit of more than $100,000 for the first half of 1935. The improvement is due principally to better demand for power as a result of improved business conditions.

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Halifax, N.S., reports improvement in collections of arrears of taxes. The city is carrying on an energetic tax collection campaign which is yelding excellent results.

Mutual of Canada Holds Eastern Meet

Mutual Life of Canada held an agency convention for leading producers in eastern Canada at Digby, N.S. recently.

Attending the meeting were 65 delegates, including members of the "Quarter-Million" and "One Hundred Thousand" clubs.

Head office officials included R. O. McCulloch, Waterloo, president; W. H. Somerville, general manager; W. Carlisle, superintendent of agencies; H. L. Guy, treasurer, and E. C. Armstrong, assistant actuary.

Maritime 'Phone Records Decline in Installations

From Our Own Correspondent

MONTREAL. — Maritime Telegraph & Telephone Co. reports 124,537 completed long distance calls during July, an increase of 2% over the same month a year ago.

In the matter of number of stations installed, the company reports 38,850 at the end of July, a loss of 222 during the month. The Island Telephone Co., a subsidiary, reported 4,147 stations, or a decline of only 3.

Beauharnois Not Exporting

No Market in United States for Hydro Power Says Norris

From Our Own Correspondent

MONTREAL. — John S. Norris, president of Beauharnois Light, Heat & Power Co., flatly denies the report that negotiations for the export of electrical energy between Beauharnois and a New York firm are all but completed. No such opportunity for the sale of surplus power of Beauharnois, says Mr. Norris, is in sight.

Since Beauharnois' troubles with Ontario Hydro developed, there have been persistent reports the company would seek to market its surplus power in New York State. Credence was given to this report by the application of the company to the Quebec Legislature for permission to transmit power up to 60 miles, as compared with the present limit of 30 miles, which would enable the company to develop power at the border.

The feasibility of marketing surplus power in New York State has been investigated by several Quebec companies. These surveys have shown conclusively that there is no market at this time.

Ottawa Power Profits Steady

Balance Sheet For First Half of 1936 Shows No Major Changes

From Our Own Correspondent

MONTREAL.—Ottawa Light, Heat & Power Co.'s consolidated balance sheet at June 30, 1936, indicates earnings for the first half of the current year were about on the same scale as reported a year ago. Earned surplus at the end of last June stood at $694,502, as against $625,904 at the close of 1935. However, no provision was made for depreciation, which amounts to $85,000 semi-annually. Deduction of this item would bring the earned surplus account down to $609,502, or roughly $16,000 less than reported at the end of 1935, after all charges.

Working Capital Less

The consolidated balance sheet at June 30 shows a slight reduction in net working capital. Current liabilities were practically unchanged, while current assets were down, due to reduction in inventories from $188,568 to $106,579.

Investment securities held by the company show a relatively substantial increase. Holdings of the company's own bonds increased from par value of $27,020 to $45,700, while $52,237 has been invested in Dominion of Canada bonds.

On October 1 next, the company will redeem, by lot, $70,000 of its 5% refunding mortgage bonds. This will reduce the outstanding debt to $4,642,500.

Admiral Beatty Hotel Changes Board Personnel

From Our Own Correspondent

MONTREAL. — Reorganization of the executive and board of the Admiral Beatty Hotel Co. is announced. Frank P. Starr has been elected president; Dr. G. A. B. Addy, first vice-president; R. D. Paterson, second vice-president; C. F. Sanford, K.C., secretary and asst.-treasurer; M. Gerald Teed, treasurer and asst.-secretary. All of the officers are residents of Saint John.

Following constitute the new board of directors: Thomas Bell, T. Moffett Bell and T. C. MacNabb, of Saint John; W. U. Appleton, Moncton; and L. B. Unwin, Montreal, and W. K. Barclay, Jr., Philadelphia.

E. B. Sweeney, of Saint John, remains as manager.

Two Bank Branches Closed During July

Branches of the Canadian chartered banks at the end of July totalled 3,528, 2 less than in the previous month. Offices closed during the month were the Sparks St., Ottawa, branch of the Montreal, and the West Toronto branch of the Royal.

Profits Rise 24 Per Cent In Past Year

Wide Changes in Buying Power Shown By Tax Returns

NINETEEN DISTRICTS

Corporate profits and personal incomes subject to income tax soared between 20 and 24% in Canada during 1935 according to a special analysis of federal income tax returns made by The Financial Post.

Most spectacular gain was in Prince Edward Island where income returns shot up 82.7% compared with last year. Another high spot was Ottawa district with a gain of 59%. The average gain for all Canada was 24.1% with 9 income tax districts reporting better-than-average improvement. Against this must be set the fact that taxation on corporate income during the year was increased from 13½% to 15%, which would affect the returns to some extent.

Comparative figures for the 19 districts into which federal returns are segregated are shown below:

Income Tax Collections (April-July, inclusive, 1936)

District†	$	% Increase*
Charlottetown	403,103	82.7
Halifax	1,047,488	19.7
Saint John	734,586	30.5
Quebec	890,517	73.6
Montreal	19,725,712	11.5
Ottawa	5,075,940	59.1
Kingston	174,175	21.3
Belleville	369,587	12.1
Toronto	24,785,454	49.3
Hamilton	4,355,655	4.7
London	7,371,046	24.2
Fort William	179,342	43.4
Winnipeg	1,712,376	16.8
Regina	166,694	20.5
Saskatoon	93,944	18.7
Calgary	836,416	17.5
Edmonton	293,979	19.6
Vancouver	4,215,776	29.2
Yukon	21,371	42.2
Total	72,483,173	24.1

* Over same period in 1935.
† Each name refers to a federal income tax "district" rather than to the municipality itself.

Reveal Purchasing Power

Significance of these returns is that they cover income tax collections at Ottawa for the first 4 months of the current fiscal year, during which approximately 70% of the year's income taxes are collected. The returns reflect directly the changes in buying power which took place in corporate and personal incomes during 1935. Thus they give the first official "test" of 1935-36 purchasing power throughout Canada as far as corporations and individuals in the higher income brackets are concerned.

The figures show Toronto district well out in lead as the major source of income tax revenue in Canada. This place was gained from Montreal district for the first time in 1934-1935. It will be noted that the names in each case refer to "districts" rather than cities—the area covered by each district being shown in the accompanying map.

Wright Favors Occupancy Tax

Advocating a more equitable system of municipal taxation in Canada, Frederick Wright, director of Municipal Service Bureau, Montreal, in an address before the 36th annual convention of the Union of Canadian Municipalities at Vancouver, suggested that the property tax be extended from ownership to occupancy.

In recommending that the incidence of the municipal property tax should be occupancy and not ownership, Mr. Wright pointed out that this would be a direct tax based on rent actually paid and would eliminate the costly and uncertain assessment system which prevails in Canada. Under the proposed system a tax bill would be sent to each householder each 6 months on which would be shown the tax rate and how it was made up—that is, so much on every dollar of rent paid for each public service.

This is the system used in Great Britain where the per capita cost of local government is much higher than in Canada. Because of the fact that the cost is spread to every householder on the basis of rental value it is not burdensome, since it comes within his or her ability to pay, Mr. Wright contended.

Debt Conversion

Speaking of debt conversion, Mr. Wright took the view no municipality has any legal or moral right to bring about conversion of its bonds except by voluntary consent of the bondholders. He did, however, claim interest rates on municipal debt were too high and suggested voluntary conversion should be undertaken under a provincial guarantee If this were done, bondholders would get greater security and the provincial authority, having taken on the responsibility of guaranteeing the debt at a lower rate of interest would see to it that the aided municipality lived up to its obligations.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 18	Aug. 19	Aug. 20	Aug. 21	Aug. 22	Aug. 24
U. S. dollar, High	.5906	1.00	1.00	1.00	1.00	1.00 1/32	1.00 1/32
Low	.5906	1.00	1.00	1.00	1.00	1.00 1/32	1.00 1/32
1935, High	.5906	1.00 1/32	1.00 1/32	1.00¼	1.00 1/32	1.00 1/32	1.00¼
Low	.5906	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32
U. K. pound	4.8665	5.03	5.03⅜	5.03 1/32	5.03¼	5.03¼	5.03¼
Argentina	.4245	.2790	.2788	.2795	.2795	.2801	.2802
Australia	4.8665	4.0160	4.0190	4.0165	4.0175	4.0187	4.0190
Austria	.1407	.1890	.1890	.1890	.1890	.1890	.1890½
Belgium	.1392	.1688	.1687½	.1688	.1687½	.1689	.1689½
Brazil	.1963	.0585	.0585	.0585	.0590	.0585	.0585
Czechoslovakia	.0296	.0413¾	.0413½	.0413½	.0413½	.0413½	.0414
Denmark	.2680	.2247	.2246½	.2246	.2246	.2247	.2247
France	.0392	.0658½	.0658½	.0658 1/32	.0658½	.0658 1/32	.0659
Germany	.2382	.4024	.4025	.4026	.4024	.4023	.4024
Greece	.013	.0094¼	.0094¼	.0094¼	.0094¼	.0094¼	.0094¼
Holland	.4020	.6792	.6794	.6793	.6790	.6790	.6791
Hungary	.1749	.1985	.1985	.1980	.1985	.1985	.1986
India	.3650	.3827	.3831	.3830	.3829	.3829	.3831
Japan	.4985	.2945	.2945	.2948	.2948	.2948	.2951
Jugoslavia	.1929	.0229½	.0230	.0230	.0229½	.0229¼	.0230
New Zealand	4.8665	4.0483	4.0513	4.0469	4.0498	4.0501	4.0513
Norway	.2680	.2528½	.2530½	.2529	.2528	.2529	.2529
Poland	.1122	....	....	....	....	....	....
South Africa	4.8666	5.0040	5.0086	5.0035	5.0067	5.0083	5.0085
Sweden	.2680	.2594½	.2596½	.2594	.2595½	.2595	.2595
Switzerland	.1930	.3261	.3260	.3261	.3260	.3259½	.3261
Hong Kong	.5423	.3126	.3130	.3130	.3128	.3128	.3128

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Jackson Succeeds Kerry as National Drug Head

From Our Own Correspondent

MONTREAL. — Changes in the board of the National Drug and Chemical Company of Canada, Limited, announced following the annual meeting of the company, included the retirement of W. S. Kerry as president, the appointment of E. G. Jackson to that post and the addition to the board of two new directors, A. H. Elder, K.C., and E. E. Lloyd, former vice-president of the Canadian Pacific Railway.

Coming to Canada from Scotland as an engineer in 1905, Mr. Jackson has, during the past 30 years, been prominently identified with the heavy engineering industry. In Canadian Steel Foundries, Limited, and in Canadian Car and Foundry Company, Limited, he was a prominent executive. He is president of International Equipment Company, Limited, and that firm's subsidiaries and is prominently identied with the Robert Mitchell Company, Limited, Fairchild Aircraft, Limited, and Canada Fire Brick Company, as well as several other companies. He has for three years been a member of the board of the National Drug and Chemical Company.

The new slate of officers of the company follows: E. G. Jackson, president; C. H. Lander, senior vice-president and general manager; W. W. Bole, vice-president; L. W. Barker, vice-president and secretary-treasurer and G. E. Griffiths, comptroller.

The new board of directors includes: L. W. Barker, W. W. Bole, A. B. Evans, A. H. Elder, K.C., E. G. Jackson, W. S. Kerry, E. E. Lloyd, C. H. Lander and T. H. Wardleworth.

B. C. Packers Ltd. To Convert Bonds

Plans for conversion of its first mortgage sinking fund 6% bonds, totalling $221,000, into a 5% security of like character, maturing Jan. 10, 1944, have been announced by British Columbia Packers Ltd. The 6% bonds are callable at par.

The sinking fund provides for the retirement of $30,000 of bonds annually, $15,000 July 10 and a similar amount Jan. 10 of each year until maturity.

The bonds are secured by first mortgage on all fixed assets and a floating charge on other assets of the company.

It is not expected that any of the new issue will be available for public sale, holders of the 6% bonds having agreed to the conversion.

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TORONTO, AUGUST 29, 1936

The Financial Post's Platform for Canada

1. Balanced budgets, achieved through economies and not by new taxation.

1. Balanced Budgets

OVER the term of a few weeks this spring, The Financial Post published the views of some two-score Canadian leaders of opinion on Canada's more acute problems and how we should plan to meet them over the term of the next five years.

From among the policies it advocates, and influenced by the well-considered views of the Canadians of all interests who contributed to the series referred to, The Financial Post plans to unroll its own platform for Canada. This week we offer the first plank, first not only in the order of its presentation but first, in The Post's opinion, in its urgency and necessity. It is to achieve balance in the accounts of all our governments and to accomplish this needed reform through economies in administration, simplification of government and cutting out of wastes.

* * *

It would be easy to urge that budgets be balanced by the imposition of new taxes, accompanied by a plea to the public to make sacrifices for the national weal. But there is no need for further taxation in Canada. The taxes already established are capable of producing and do produce far more revenue than is needed by governments to supply the public with all the services anyone should ask of them in a freedom-loving, democratic, non-Communistic country.

Far from there existing a need for official ingenuity in the devising of new taxes, there is urgent need for analysis of all existing taxes, to discover those that might better be abandoned. The so-called nuisance taxes, that produce a small revenue as the end-product of a great deal of public effort and annoyance, should obviously be labelled for early discard. But in a broader field, those taxes which are "concealed" are distinctly anti-social and anti-economic in their effects, however popular they may be politically. For their effect is to permit an extravagant governmental machine to waste the country's productive income, while hiding from the average farmer, housewife and workingman, the fact that the burden ultimately rests upon them.

* * *

It is necessary that we balance public budgets in Canada for several reasons.

One is that a budget-balancing effort by any government generates a will to administer efficiently and economically. There is no end to what governments can spend if they think only in terms of spending. And there is almost no end to what governments can save if politicians will only think of their funds as coming out of the pockets of the people and not out of a mythical and bottomless treasure chest called public revenues.

A second and equally important reason is that unbalanced budgets are an invitation to disaster; to fiscal and monetary collapse through default, a flight of money or uncontrollable inflation, or all of these.

The financial stability of Canada is a matter of interest to every man, woman and child. Financial stability makes for confident investment, the creation of jobs, the increase and wider distribution of wealth—in short, for true prosperity and social happiness. Financial instability, as marked by deficits in Dominion, financial and municipal accounts, cannot but be the forerunner of unemployment, of slackened force in national development, of cruel suffering for every citizen.

That these are simple and indisputable facts is slowly impressing itself upon an ever-increasing number of the true leaders of responsible public opinion in Canada. This is evidenced by the emphasis upon budget balancing in the programmes and platforms of many important political groups, groups whose appeal is more fundamental to the common sense of the Canadian people than the wishful panaceaist philosophies that are being promoted with considerable success by rabble-rousers here and there in Canada. "Rabble-rousing"—or quack demagoguery—never can retain its emotional appeal for long simply because the Canadian public does not constitute a rabble. A sound, honest, straightforward policy like paying-as-we-go for the public services we establish, and of carrying on only those services that we can afford, is a policy bound to triumph sooner or later. Those political leaders who are now accepting it as part of their political credo are shrewd.

* * *

Next week another plank in The Post's platform will be introduced.

A Noble Lord's Confusion

VISCOUNT ELIBANK is on his way to a meeting in New Zealand of the Federation of Chambers of Commerce of the British Empire. He has been making speeches in Canada.

Lord Elibank is chairman of the Federation. As such his views will carry much weight with a great number of people. This is unfortunate for his public remarks here have been injudicious, to put it mildly.

His gratuitous advice on Canada's defence problems, given in his Toronto address, has already brought forth a mild rebuke from the Minister of National Defence. But if Viscount Elibank's views on war and peace are no more soundly based than his views on trade and business, they are not worth the attention they have received.

In Toronto, Viscount Elibank urged Canadians to ask more money for their oats in order that Scottish farmers might also benefit from the rise in prices. But not a word did the noble lord mention about the consumer and what he might say if Canada attempted to raise the price of oats above the market price fixed by a multitude of intangible forces. Nor did he recall how British millers ignored Canadian wheat offerings when this country tried that very trick of raising prices without regard for other sources of supply.

Viscount Elibank rejoiced in the "fact" that Canada's increased exports to the United Kingdom had been attained because Britain was willing to close the door to imports from Germany, Italy, Chile and other countries. A moment later he was rejoicing that the Ottawa agreements had been a factor making for freer international trade, a patent contradiction of his first statement.

His statement that any Canadian exporter could sleep soundly every night knowing that when he woke up each morning he would find the British market waiting to buy whatever he had to sell is sheer tommyrot. Desirable as it is Empire trade is not something to be had "merely for the asking."

It is to be hoped that Viscount Elibank will give more mature consideration to the speeches he intends to make in New Zealand. Otherwise, he will find himself the centre of another tempest in that frank, outspoken country.

Lowering Trade Barriers

LEADING students of world commercial policy met recently under the auspices of the International Chamber of Commerce to discuss the effect of the United States trade agreements. They found in regard to the six treaties made with European countries that while these were a step in the right direction, a more decisive step forward would have to be made if any improvement worthy of that term was to be brought about in international trade.

Specific criticisms were that U. S. import duties remained high on the whole, even after the said reductions, and that the special device adopted by the United States to prevent third party nations benefitting by specific tariff reductions had the effect of deliberately limiting in the extreme the practical effects of the most-favored-nation laws. Constructive elements of the treaties were first, that the United States had abandoned its autonomous tariff policy and was now willing to bargain about its tariff as was also the case with Great Britain, and secondly, the speeding up of the machinery of negotiation as shown by the fact that the United States had succeeded in obtaining 14 treaties in two years—treaties which represented 33 per cent of American exports and 41 per cent of American imports in 1935. The opinion was expressed that it was an important progress toward a more liberal commercial policy in the world when the two greatest trading countries were willing to negotiate in this way.

It would seem that little more can be expected for some time to come except continuance of the present world trade situation. British nations within the next twelve months will negotiate new treaties involving a very large proportion of the world's trade. In addition, these negotiations will clear the way for treaties with other countries outside the Empire. No one of these treaties may be as satisfactory as world trade idealists might wish for, but together with the return of domestic prosperity to various nations they will doubtless play their part in slowly stimulating commerce on the seven seas. This is perhaps as much as can be expected in the present disturbed state of international monetary and economic affairs.

Editorials in Brief

James E. McConnell, Jr., wrote his thesis for University of Western Ontario on the subject of advertising. One part of it was a careful analysis of the effect of advertising expenditures on prices. Taking a representative list of advertised commodities and comparing them with a similar list of non-advertised products he found that advertising has tended to lower the cost of commodities. His studies are published in the current issue of the University's Quarterly Review of Commerce. Mr. McConnell says:

"It is obvious that advertising has a tendency to stabilize prices... Increased advertising expenditures have not been passed on to the consumer in the form of higher prices but have been absorbed by the manufacturer, who has received the benefits and economies of mass production made possible through this advertising."

* * *

These are trying times for investors in common stocks. The underlying movement has been upward for four years but frequent international "incidents" have provided serious market disturbances and have enhanced the distrust of investors in all security markets.

In the circumstances extreme patience is called for. The investor, if he buys for a long term rise, must be prepared for frequent sleepless nights.

The alert, large scale investor finds the situation to his liking. He buys stocks when something like the Abyssinian, the Rhineland or the Spanish episodes shakes out the market and he then liquidates on the rise that follows, knowing that in this jittery post-war world another incident will give him a chance to buy his securities back again.

The smaller investor has no taste for a market in which such highly professionalized operations are necessary.

* * *

So accustomed to major political and social changes is the post-war world that even a revolution or the conquest of an independent republic comes under the heading of "incidents."

Some day one of these "incidents" will probably launch the nations on another senseless major international conflict. Best informed financial groups, with world-wide connections, are banking on the postponement of a world war for several years yet, believing first that the nations are not ready and secondly that the strength lies with those nations whose primary interest is peace.

In short they know that the nations are sitting on a powder magazine but they have some faith in the fire department that is pouring water on the matches that flame up.

Will the next war destroy civilization or remake it? The first view is the popular one. But even such a confirmed liberal and advocate of peace as J. A. Spender, former editor of the Westminster Gazette, expresses the opinion that "this is the penultimate stage before the abolition of war."

* * *

Canadian art was not mentioned in the Ottawa agreements but works of art do constitute an item of commerce between Britain and Canada. More pictures come from Britain to Canada than move in the other direction. But there are some Canadian artists whose work is known in the Old Land and valued by discerning art lovers there.

Last week Arthur Heming, of Toronto, received a cable from one of the old-established London art dealers asking that three canvasses be sent at once as there was a likely chance of disposing of them.

This is indeed a red letter event. It is probably many years since any Canadian artist received a cabled enquiry for his work from a London dealer. It is a tribute to the lure of Heming's north country pictorialism.

Post-Scripts

Canada's Movie Makers

ASSOCIATED SCREEN NEWS has announced a series of twelve "Canadian Cameos," short film subjects to be released once a month during the coming year.

There is a wide variety of subject matter, all very Canadian, such as the training of the mounted police, a vignette of Vancouver, the seals of Northern British Columbia, the locks at Sault Ste. Marie, Canadian "Oddities," the Toronto skating carnival, etc.

These Canadian cameos have achieved a splendid reputation in recent years not only in Canada where Empire Films handles them but in Great Britain where they are distributed through British Lion Films. They are at once good entertainment and a splendid advertisement for Canada. It may be that Canada will never develop a feature film industry but in these one-reel short subjects it makes a Canadian contribution to the world's supply of motion picture films of which every citizen may indeed be proud.

* * *

Wasted Courage

A GOOD deal that passes for courage is merely mania. The homicidal instincts that lead an assassin to bomb a king's carriage would call for greater bravery in their repression than in their expression. In Europe's continuous succession of revolutions and counter-revolutions there are always men and women who take their lives in their hands. Some of them do it through an inner urge they do not understand and when they die the world loses just a few more fanatics or manic depressives. But those who coolly challenge death with a full realization of what they are doing are numerous.

The world has seldom seen greater personal courage displayed than that shown by Zinovieff in his trial this week, and the fact that his heroics were staged for political effect did not make his courage any the less. In the Spanish civil war there is rare personal courage on exhibition as indeed there is every day in every strife-torn country of Europe.

Most of the courage is wasted. Heroism does not stand up, in the short run, against insanity in high places.

Sayings of the Week

"The one permanent characteristic of this new civilization is change."—*John C. Krantz, Jr.*

* * *

"To keep the price level steady is as practical as to keep the level of the reservoir steady."—*Irving Fisher.*

* * *

"The decrease in ability with age is much slighter than popular opinion would indicate."—*Havelock Ellis.*

* * *

"High and well sustained purchasing power is the only effective fertilizer of sound business."—*Harry Elmer Barnes.*

* * *

"We should be an example to the whole world of the advantages of a determined policy of peace."—*Lord Beaverbrook.*

* * *

"Men have no humor of their own—only a tiresome memory for bright remarks of professional humorists."—*Betty Furness.*

* * *

"One of the falsest of false gods to which the world bows down is the so-called 'favorable balance of trade'."—*Bruce Barton.*

* * *

"Real securities are not banks, factories and railroads, but rather integrity, industry and a desire to be of service."—*Roger Babson.*

* * *

"There is no likelihood now of anything approaching a national food shortage."—*Henry A. Wallace, U. S. Secretary of Agriculture.*

* * *

"Cats perhaps have not much heart, but a cat can be trusted to purr when she is pleased, which is more than can be said of all human beings."—*Dean W. R. Inge.*

* * *

"Women want good homes and security, and they must have peace. How are they going to get it? The master key is to be found in politics."—*Mrs. H. P. Leichton, Chairman, Joint Committee, Industrial Women's Organization.*

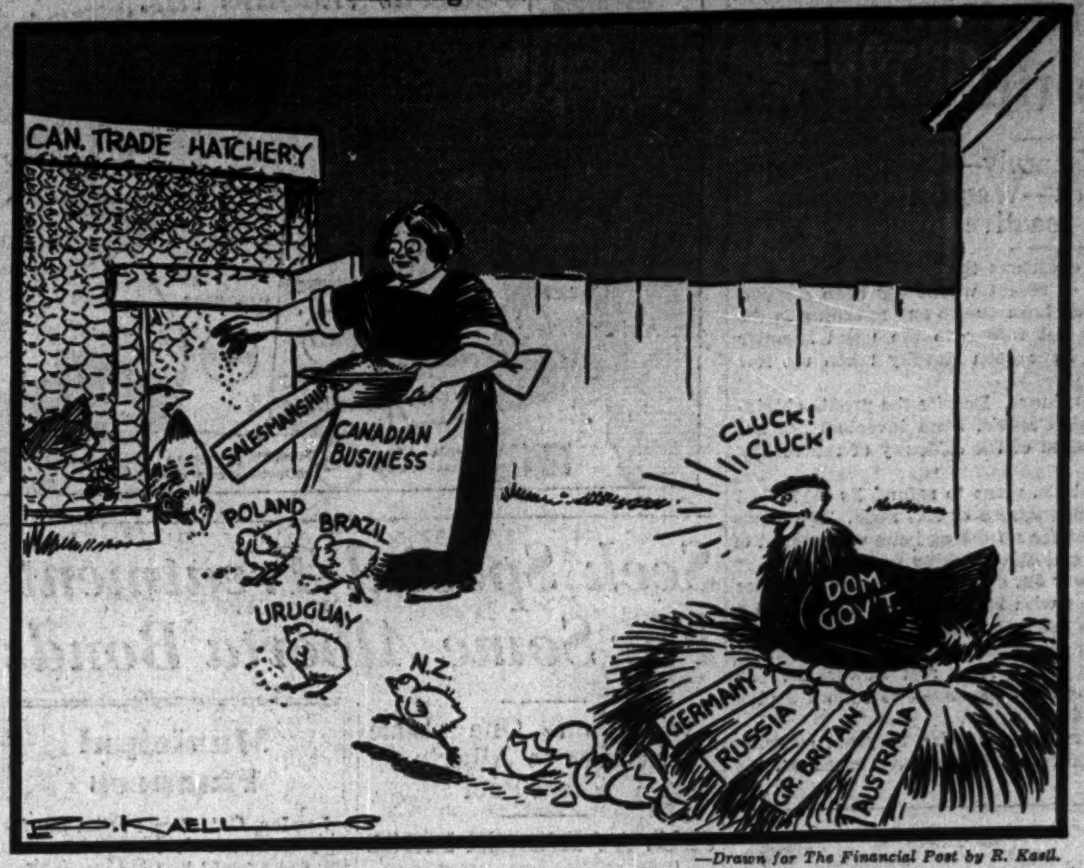
* * *

"The real danger today is that the world will gradually become locked in an alignment like that of 1914, from which statesmen will be unable to break out and which will proceed from crisis to crisis until it finally explodes in a world war."—*The Marquess of Lothian.*

* * *

"An officer of the radio corporation told me a short time ago that the radio industry was developing so rapidly that a $10 millions plant in course of construction by that company had become obsolete before it could be completed."—*A. S. Prall, Chairman, Federal Communications Commission, Washington.*

Hatching Our Trade Treaties



—*Drawn for The Financial Post by R. Kaell.*

THEY HAVE TO BE FED AS WELL AS HATCHED

Who, After Baldwin?

[Two Critical Views of British Politics]

The Economist, London

Thirteen years ago Mr. Baldwin succeeded to the highest office in the state in a Parliament elected on the slogan "Tranquility." At the close of the first session of the fourth Parliament in which Mr. Baldwin has taken the helm of government — possibly the last before he hands it over to a successor—we have to ask ourselves how the ship of state has faired in a storm and stress under the guidance of one fitted by temperament and inclination to sail in quiet water.

For the ceremonial occasion the Prime Minister remains unsurpassed and at the time of the King's death and again this week in his words to our Canadian visitors he voiced with perfect understanding the simple sentiments of the people.

His Prestige Dubious

When we ask how Britain's prestige stands today, what has happened to the solidarity of the nation so strikingly in evidence last September and October, how the policies have been fulfilled for which the nation voted overwhelmingly in November, and what is the temper of the great majority returned at the general elections—to these questions the answers are very much more dubious.

This verdict is best illustrated by the standing of the Government itself. Mr. Baldwin had a great opportunity to present to the country and to the world the spectacle of a strong and united cabinet, and by so doing to prove that democracy had a conclusive and crushing answer to the much vaunted and fashionable claims of dictatorship. This opportunity has been missed. Instead, we have seen a divided cabinet turning from side to side and seeking refuge in expedience and temporization.

Shocks to Confidence

The shock to public confidence of the Hoare-Laval proposals, so soon after the election, was profound. But Signor Mussolini's victory over the League, and the British Government's tame initiative in abandoning the policy of sanctions were felt as a diplomatic defeat and a national humiliation. If, as now appears, the Government never intended to run the risk of war with Italy by intensifying sanctions to a point where they would become effective, why did they ever start out on what was to prove only "a half-hearted and a half-headed" policy? And what is their policy now? Is it to acquiesce in the tremendous swingover in European opinion toward the dictators; to retreat to the western tip of the continent of Europe and hope that trouble will take another direction? These and other disturbing questions still await an answer.

The Government's failure to implement in the international field the policy on which they fought the election has naturally led to an exacerbation of party feeling. Indeed, the Labor Party, and certainly the small section of Opposition Liberals, seemed to feel British humiliation more than many Conservative members, some of whom had openly espoused the cause of an aggressive Fascism. But that was only because the Labor Party and the Liberals had identified British interests and British policy with the full and unqualified support of the ideals, principles and humor of the League.

The Opposition, Liberals and Labor alike, have reason enough, after the Government's behavior in the last 8 months, to call for greater precision in the Government's foreign policy, to scrutinise the risks which hang over the people of this country, and to demand better assurance before they hand the Government a blank cheque for rearmament.

Labor Hesitates

Yet the Opposition has not been able to capitalize the prevailing dissatisfaction. The views of the Labor Party are still hesitant between pacifism and whole-hearted support of sanctions, while its leaders and its internal policy command too little confidence to enable it to rally a majority of the country to its support.

The result is apathy. Except at the recent Derby election, where the Labor Party had an exceptional candidate and the support of Left and Centre opinion far beyond the limits of its own ranks, the by-elections show a lower total poll, a succession of heavy reductions in the Government vote, and even slight falls in the Labor vote. It is undeniable, as The Times remarked on Monday, that there is a growing disposition in the country to cry "A plague on both your houses!"

This is an ominous sign; for apathy is an open invitation to would-be dictators. If our politicians cannot reveal higher qualities of leadership and inspiration, there is a real danger that they may find themselves faced not merely with troubles abroad, but with a weakening of political stability at home. On that stability our influence in world affairs depends.

By ROBERT BERNAYS, M.P.
In The Fortnightly

Few governments of modern times have had more critics than the present administration, which commands a majority of nearly 250.

There has been in all parts of the House of Commons a lack of confidence in the power of the Government to shape policy and direct events. Probably it is inevitable in the circumstances of the time. Not since the Asquith administration from 1910 to 1914 has a government had to face such a swift and bewildering series of disasters.

It has lurched from crisis to crisis.

Demand for Leader

The country is frightened and, as always in such circumstances, it is calling for a leader. Bonar Law once said to Asquith that in times of crisis it was not merely necessary for a government to be active. It must seem active. This Government does not possess this qualification.

It has been a Government of tired men. After all, most of them have been in office now for 5 years through a period of crisis unexampled in the post-war era. Indeed it is significant that the few outstanding successes are men like Mr. Eden and Mr. Stanley who are essentially of the post-war period.

On the other hand, while the leading members of the Government have tended to grow stale, their supporters are exhibiting the resource and confidence of men who are approaching the flowering period of their political powers.

The humiliations of the Government have been not a little due to the fact that they have failed to appreciate this change in atmosphere. The leading men in the Cabinet never grasped, for instance, the extent of the revolt among their supporters on the Hoare-Laval issue.

Churchill's Rise

With the revolt of the younger men has come an increase in the power of the most formidable parliamentarian in the House of Commons, Mr. Winston Churchill. In the days of the last Parliament he was handicapped by the fact that to cast aspersions either on the National Government or on Mr. Baldwin was regarded as an act of gross impiety. Now he can jeer and jibe to the fullest extent of his incomparable vocabulary and not a single voice is raised in protest. In addition he has the advantage of advocating causes to which there is a very real response among the great majority of the Government supporters.

Will Mr. Churchill be able to pull away the plug in the Government's tank and send the great majority down the drain? He has allies in his campaign of a calibre that was certainly not evident among his die-hard friends in the last Parliament.

A rapid worsening of the foreign situation and a growing conviction that the Government was bungling the necessary defence measures might well produce a demand for a Government of National Concentration, a Committee of Public Safety of the kind that took office in 1931 to stave off what was then regarded as the disaster of a retreat from the gold standard. The obvious head of it would be Mr. Winston Churchill.

Whether it happens depends to a great extent on Mr. Baldwin. The loss of prestige of the Government is not a little due to the loss of prestige of Mr. Baldwin.

Confusion of Laborites

The Government is helped by the fact that through all their difficulties and disasters neither Opposition has proved itself capable of exploiting the situation or of suggesting itself to the country as an alternative Government.

The Labor Party gives no evidence of an accretion of strength.

In the House of Commons they exhibit confusion of council and weakness in action.

But the most potent cause of the slow progress of the Labor Party is the patent confusion of their minds on the armaments issue. They profess a deep-rooted belief in collective security, and then vote against every measure of rearmament that alone could make collective security a reality.

This halting between the 2 opinions is evident in their social policy as well. They cannot make up their minds whether they are out to destroy the capitalist cow or to milk it, whether or not it is a matter of indifference to them if it breaks under the strain of doles and pensions, whether, in fact, they are safety first men or the party of catastrophe.

The Labor Party will never return to power until it has made up its mind to present itself as a safe alternative. The country is badly frightened. It will never entrust its fortunes to a party that is unsound either on the armament issue or the balanced budget required for the payment of armaments.

Palace Revolution

For the time being, at any rate, the National Government has nothing to fear from its official opponents. The real danger to its continuance is a "Palace Revolution." Any further parade of vacillation and incompetence will play straight into the hands of the Right. There is, happily, evidence in the last few weeks that the Government is awake to the danger and is taking effective steps to meet it by a resolute rearmament programme, in the recognition of the urgent necessity for deciding upon and proclaiming an unambiguous foreign policy, and, above all, an understanding of the importance of an imaginative social programme if the non-Conservative voters in the country, who, after all, gave it their majority, are to be successfully retained.

As Others See Us

Public Works No Panacea
Midland Free Press

The Financial Post is right when it declares that the National Unemployment Commission, in its effort to find jobs for the unemployed, will have to enlist the co-operative effort of government, industry and labor. Public works are far from being a panacea. Capital and workers must both be prepared to make sacrifices to get men off relief rolls.

For Rail Co-ordination
Woodstock Sentinel-Review

The Financial Post not long ago asked numerous prominent citizens, scattered across the Dominion, to express their personal views as to what are Canada's chief problems and how they should be tackled. The resulting contributions were published in a series of articles, which have now been printed in a book. It is impressive, though not surprising, to find that many of these men find a close connection between the problem of government debt and taxation and the cost of the Canadian National Railways. Their views are divergent as to means of lightening the load, but they show unanimity in stressing its seriousness.

Mr. Ferguson and the Empire
St. Catharines Standard

The Financial Post this week contains a most informative interview with Hon. G. Howard Ferguson, former High Commissioner in London, on the subject of the strengthening of the British Empire trade ties, which have to date proved so valuable, as every informed Canadian knows. It is the dependability of this trade which counts, as compared with that with the United States where there is strong advocacy by one great party today to revoke the trade agreement with Canada.

With nationalism rife all over the world, the concentration of trade within the Empire limits is a natural result. No Dominion has more to gain from this than Canada. The home market is the most important, the Empire market next and after that, the rest of the world. All the figures will bear this out.

Other Peoples Views . . . . . .

New Brunswick Off "Dole"
Halifax Herald

Hon. A. A. Dysart, Premier of New Brunswick, announces that province "is definitely and permanently, I hope, rid of the dole."

Stating that conditions in New Brunswick justify discontinuance of direct relief, the Premier explains:

"At the present time, nearly 9,000 heads of families have been placed in gainful employment in public works undertaken and promoted by the Government, and nearly 10,000 more have been assisted with free seed and land-clearing and ploughing bonuses. In all, between 85,000 and 90,000 dependents are directly affected and numberless others will feel the indirect benefit."

That is about the best news we have seen coming out of any Canadian province in recent years, and everyone will rejoice with New Brunswick in its happy position.

In the Mail

(Not over 200 words, please)

The Church and the Social Order
Editor, The Financial Post:

So, according to you, "the church has too much work ahead of it in character building to waste time on technical discussions in economics."

Do you not see that such matters as poverty, unemployment, relief, lack of security, have a very great deal to do with the building of character? Would you leave our economic system to be arranged solely by businessmen, who, because of the nature of the problems, are helpless in trying to solve them?

Everyone will agree with the first part of your editorial which says that the building of character is fundamental, but can a true religion neglect the physical well-being of the people? Such an attitude on the part of the former religious leaders in Russia accounts largely for the present attitude toward religion in that country.

Would not the work that St. Francis Xavier is doing in its Extension Department in Nova Scotia be impossible without "technical discussions" in economics? Is that religious institution not doing more in character building by raising the standard of living of communities through organizing co-operatives in which the people are not mere laborers, but have a real share and interest? Would not more of our clergymen be better employed by making such work a regular part of their duties?

I think you will agree that the main thesis of your editorials is that government should, to a large extent, give business a free hand, and allow it to solve our major problems, unhampered by our "democratic" government. I can see no reason why such a policy will not most surely lead capitalistic countries to a similar depression in a few years time as began in 1929.

May it not be possible that your own "technical discussions" will not solve our problems because they are missing the fundamental point that a more direct production for use will be best for civilization in the period we are now entering?

Give us an alternative to the experiment of Socialism if you know of an alternative that may reasonably be expected to work, or else be prepared to see Socialism eventually sweep Canada, and realize that you played a part in promoting it, because you gave no substitute.

LLOYD R. SHAW,
Wolfville, N. S.

Editor's Note: With no desire to quibble, The Financial Post repeats that it does not challenge the right of the church to discuss any phase of human activity. But it reasserts its opinion that any preacher who siezes upon some over-simplified panacea and presents it as the specific answer to all social problems, or who loses sight of fundamental principles to dispute on controversial and "technical" problems in business or finance, is weakening his own power for good.

To illustrate by comparison: the Papal Encyclicals on the social position of the worker were constructive, useful documents, calculated to strengthen the hand of the Christian church in promoting a better order; Father Coughlin's advocacy of a particular policy on silver merely weakened his broader influence for good, if any.

Who Pays Dumping Duties?
Editor, The Financial Post:

In my letter published July 18 in your paper I did not mean to impute to The Post downright evasion in regard to discussions relating to the foreign monetary system. The letter was intended merely to impress the fact that our financial experts and educators, in their lectures on the unsound money question, are content to discuss only the visible effects of currency debasement. I consider their attitude of silence unreasonable. In these days the rumpus kicked up over budget deficits, taxation and unemployment is causing tax-weary citizens to distrust professional teaching, having in mind the comparatively trifling uneasiness observed while huge debts, representing goods actually delivered and unpaid for, have been either increased or reduced by billions of dollars through money market fluctuations since the big war.

In 1932, after Britain suspended gold payments, the pound sterling was discounted heavily abroad and the Canadian value of imports from Britain was so seriously low that we applied the "dumping" duty. Due to the same cause, the Canadian value of our exports to Britain was also seriously low at that time. Yet the dump duty went to the treasury, although the goods were sent to us in payment for our exports. Nobody believes that Britain was accepting reduced quantities of wheat or other goods in exchange for her exports, or that British market prices had slumped to the extent shown in the customs valuation of British goods brought to Canadian ports. It would have been fairer if the dump duty, which served to hold up prices of British goods retailed in Canada, had been passed to our producers who, however, were forced to accept reduced prices for their surplus production and thus really paid the duty and had to bear most of the suffering. We, ourselves, thereby created a condition of extreme difficulty in this country, for currency inflation and deflation do not compel nations either to impose dump duties or to dispose of cheap imports at prices which tend to destroy their home industries. Instead, such imports could undoubtedly be sold at prices which would protect and also benefit many industries producing for export.

J. BEAMAN,
Saskatoon, Sask.

Stop Me If You've Heard This One . .

It was a Pennsylvania Dutchman who went to Niagara on business, and his host took him out for a walk. Presently they came to the great Falls, but the Dutchman said nothing.

"Well?" said his host; "ain't it a wonderful sight?"

"Ain't vot a wonderful sight?" replied the Dutchman.

"Why, that vast body of water pouring over the great precipice!"

"Vell," said the Dutchman, "vot's to hinder it?"

Week in Business

Labor Troubles Loom On Canadian Front

International Tie-Up in Recent Strikes — Drought News Improved Over Recent Weeks

Labor troubles are beginning to play an increasing rôle in the industrial situation in Canada.

Two weeks ago 1,700 employees of the big Courtauld's plant at Cornwall went on strike and at midweek there was no prospect of settlement.

Last week, 700 or 800 workers at the Hamilton plant of Dominion Glass Co. went on strike, together with some employees of the company's Wallaceburg plant.

Difficulties also threatened the men's and boys' clothing industry in Montreal where a general strike loomed. It would have thrown at least 3,500 employees out of work in the midst of the fall manufacturing season. The difficulty involved a contract between the Amalgamated Clothing Workers Union and the Associated Clothing Manufacturers of Quebec which expired August 15. The union demanded a 20% wage increase and a 40-hour week plus other technical adjustments. Finally the question of the 40-hour week was deferred until such time as the local employers can meet with Toronto manufacturers to establish a uniform policy, while wage increases have been submitted to an impartial arbitration commencing August 31. The contract made last week will run through till July 1, 1938, and is to be made the basis of negotiations for a collective labor agreement under the Quebec Arcand Law which expires January 1, 1937, and which will be renewed to coincide with the 1938 date.

Another focal point is loggers in Northern Ontario who met this week to plan a 10 to 15% wage increase and a uniform schedule for all operators in the province.

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International Complications

International unions have figured prominently in these and other strikes initiated or projected within recent months. The trouble at Dominion Glass involves both wage increases and the organization efforts of United States organizations such as the American Flint Glass Workers Association and the Glass and Bottle Blowers Union. These bodies are alleged to have been active in organizing the men at Dominion Glass plant in Hamilton where previously no union affiliations had been observed. At Cornwall one cause of the hostilities has been the linking of the local Rayon Workers Industrial Union with the A. F. of L. affiliate, Amalgamated Clothing Workers Union.

International influences are also at work in railway labor circles, according to press reports last week of a Chicago conference of representatives of the Canadian branches of 21 railroad labor unions to discuss methods of obtaining increased wages for Canadian railroad employees. The issue centres round the fact that 100,000 Canadian union members are allegedly receiving 10% less wages than United States members. "No strike is contemplated," it is said, "but recommendations are to be passed on to the various unions for action."

With employers in the United States ranking labor problems only next to war as a serious threat to continuing recovery, these international tie-ups may become increasingly important to Canada.

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Drought Scare Decreasing

Canadian business is finding encouragement for the autumn in the fact that droughts, except in the continued dried out portion of Southern Saskatchewan, are never as black as they are painted. Harvesting where there is a crop is now general over the entire grain-growing belt and wheat is already moving at a remarkable rate for this time of year. This early movement has already disclosed wheat of exceptionally high quality which will have an important bearing on western buying power. Of total wheat inspections to August 18, 59% graded No. 2 Northern or better and another 25% at No. 1 and No. 2 Durum. "Local reports," says Sanford Evans Statistical Service, "indicate that the high standard of inspections is likely to be well maintained when later crops are harvested."

General rains across the country have greatly improved fruit and late crop prospects. Then too those areas which are blessed with bounteous crops are looking forward to reaping a rich fall harvest, as for example Prince Edward Island which sees a profitable market opening for potatoes and root crops in the United States.

Changes of the Week

Favorable

Of 20 new business indices made available during the week and recorded in the tabulation below, all but 4 show improvement as compared with corresponding figures for last year. More detailed information is given in the monthly business summary published elsewhere on this page.

Unfavorable

Pig iron and steel production declined sharply in July. Iron output for the month was 38% below June totals and 31% below July, 1935, figures. Steel production dropped 16% from the June level and 20% from July, 1935.

Crude petroleum imports showed greater than usual decline for July and were 9% less than at this time last year.

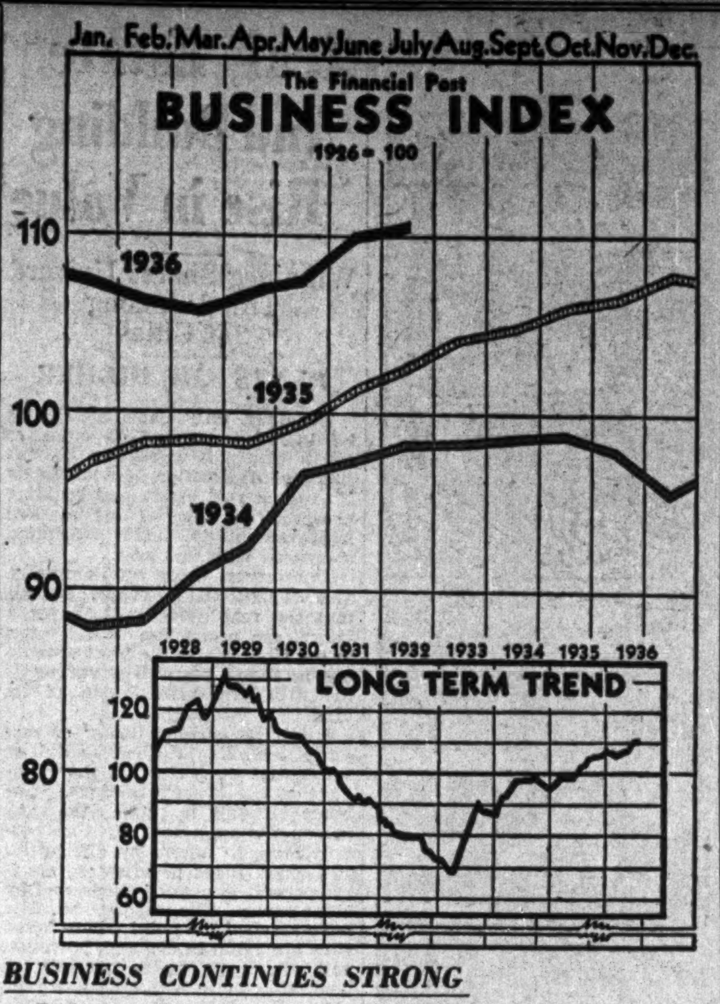
Cotton imports slipped 40% below corresponding figures for July, 1935.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Aug. 15)	▲50,368	43,101	1,449,987	1,414,664
C.N.R. gross earn. (Aug. 21) $	▲3,352,412 $	3,129,888 $	111,035,963 $	104,279,127
C.P.R. gross earn. (Aug. 21) $	▲2,602,000 $	2,383,000 $	81,017,000 $	72,733,000
Business Conditions—				
Weekly index D.B.S. (Aug. 15)	▲113.1	101.8	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (July)	▲110.7	102.8		
Transportation—				
C.P.R. net revenue (June) $	1,179,549 $	1,403,812 $	6,790,969 $	6,062,018
C.N.R. net revenue (June) $	9,443 $	485,685 $	2,475,040 $	2,167,536
Iron and Steel (July)—				
Pig iron production (tons)	▲34,988	50,513	375,323	310,290
Steel ingots and castings prod. (tons)	▲68,793	86,101	647,493	474,264
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	▲6,562	6,265	68,279	63,301
Factory output (June)	13,126	12,276	86,364	90,390
Trucks and Buses:				
Domestic sales* (July)	▲1,646	1,119	14,802	12,229
Factory output (June)	3,274	3,489	19,584	20,939
Exports (June)	3,738	5,633	30,075	37,215
Construction—				
Building permits (July) $	▲4,602,897 $	4,396,402 $	22,103,317 $	29,036,913
Contracts awarded (July) $	17,868,500 $	18,549,200 $	95,577,000 $	94,143,700
Newsprint (tons)—				
Production (July)	274,627	234,266	1,763,890	1,519,149
Exports, tons (July)	▲234,049	219,461	1,594,002	1,383,009
Sugar (lb.)—				
Melting & sales§ (raw)	96,485,337	91,171,100	401,619,890	382,273,060
Manufactured§	94,693,362	89,975,627	387,079,348	384,367,736
Flour (bbls.)—				
Production (June)	1,148,810	991,559	6,527,359	6,134,106
Wheat flour exports (July)	▲444,905	395,222	2,736,077	2,638,177
Trade—				
Retail trade (index no. of sales) (June)	74.1	70.8		
Imports (July) $	▲53,671,774 $	48,414,397 $	351,756,357 $	308,786,790
Exports (July) $	▲84,968,832 $	64,832,828 $	505,117,026 $	414,865,711
Wheat exports (bush.) (July)	▲25,912,508	9,138,035	120,500,094	54,163,156
Employment, D.B.S. Index (July 1)—				
All industries	104.6	99.5	......	......
Manufacturing	104.7	96.5	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	▲2,020,855	1,791,543	14,460,934	13,171,637
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (July)	▲153,897	101,926	806,482	689,091
Boot & shoe prod., pr. (June)	1,721,182	1,756,304	11,042,084	10,664,240
Crude petrol. imp. gal. (July)	▲121,335,556	133,659,600	598,785,080	594,279,167
Cotton imports, lb. (July)	▲5,818,214	9,912,771	75,436,770	60,964,650
Raw rubber imp., lb. (July)	▲5,094,621	2,954,800	29,706,049	32,894,667
Coal imports, tons (June)	1,683,704	1,506,196	5,029,280	5,143,675
Finance—				
Bank debits (June)† $	3,135,569 $	2,710,310 $	17,246,852 $	15,216,135
Bond sales (July) $	▲68,385,563 $	63,195,141 $	804,760,649 $	335,019,582
Life insurance sales (July) $	▲32,573,000 $	32,155,000 $	220,333,000 $	213,710,000
Automobile Financing (July)—				
Used cars $	▲2,656,701 $	2,109,499 $	16,206,076 $	11,582,085
New cars $	▲3,098,442 $	2,531,943 $	20,455,589 $	15,664,529

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to July 11.



BUSINESS CONTINUES STRONG

Business operations in July were approximately maintained at the level of the preceding month, The Financial Post business index showing a slight gain over June to a new high point since July, 1930. In the mineral production section the exports of asbestos and imports of bauxite were features. Exports of copper showed a gain over the preceding month and a high level was shown by gold shipments.

The foodstuffs and forestry groups featured manufacturing operations. The meat packing industry was particularly active and the flour milling and sugar industries operated at high levels. The index of newsprint production reached a new high point in Canadian business history. The imports of textile mills receded to a much lower level and the iron and steel industry reduced operations. The construction industry obtained a greater amount of new business after allowance for seasonal factors. The railway freight movement was slightly heavier and the export trade was greater than for the same month for 5 or 6 years.

Major Canadian Economic Factors

	July, 1936	July, 1935	June, 1936	Inc. or Dec. July, 1936-1935 per cent
The Financial Post business index	110.7	102.8	110.3	+7.7
Wholesale prices	74.4	71.4	72.3	+4.2
Common stock prices	114.3	92.4	113.8	+23.7
Shares traded, Montreal ... No.	520,503	248,645	406,378	+109.3
Inverted index of Dom. bond yields	153.6	138.7	149.5	+10.7
*Bank deposits	112.3	104.1	111.3	+7.9
Mineral production:				
Copper exports, cwt. ... cwt.	324,979	335,426	245,944	—3.1
Nickel exports ... cwt.	137,442	122,219	142,281	+12.5
Zinc exports ... cwt.	234,041	253,560	286,456	—7.7
Gold shipments ... fine oz.	308,984	270,504	303,848	+14.3
Silver shipments ... fine oz.	1,552,134	1,262,943	1,609,855	+22.9
Manufacturing production:				
*Flour production ... bbls.	1,148,810	991,559	1,196,339	+15.9
Cattle slaughterings ... No.	125,535	113,407	135,975	+10.7
Raw cotton imports ... lb.	5,818,214	9,912,771	7,415,651	—41.3
Cotton yarn imports ... lb.	323,679	423,820	366,656	—23.6
Imports of raw wool ... lb.	2,412,062	1,161,453	3,150,267	+107.7
*Leather boot and shoe prod. ... pr.	1,533,948	1,619,932	1,645,108	—5.3
Newsprint production ... tons	274,627	234,266	270,051	+17.2
Steel ingot production ... tons	68,793	86,101	82,196	—20.1
Pig iron production ... tons	34,988	50,513	56,362	—30.7
Automobile production ... No.	10,475	13,069	16,400	—19.8
Petroleum imports ... gal.	121,335,556	133,650,600	153,619,168	—9.2
Crude rubber imports ... lb.	5,094,621	2,954,800	4,574,180	+72.4
Exports of planks and boards ... ft.	153,897,000	101,926,000	169,550,000	+51.0
Construction: Contracts awarded .. $	17,868,500	18,549,200	20,803,400	—3.7
Building permits ... $	4,602,897	4,396,402	4,580,740	+4.7
Railways: Carloadings ... No.	202,743	194,983	200,840	+4.0
Electric power ... 000 kw.h.	65,189	57,792	67,623	+12.8

*Preceding month.

Background of Business

Upward Swing Seen In Immigration Tide

Six Months Figures Reveal Sharp Increase Except for U. S. — Overseas Lumber Trade Gains — Co-ops for Fishermen

Has the immigration tide turned? For the first time in nearly a decade, cumulative totals of immigration to Canada in the first 6 months of the year have shown a slight increase over corresponding figures the previous year. The gain is only 5.9% due to a continued falling off in immigration from the United States, but for northern European races the increase is 37% and for all other races 33.3%.

Comparisons by months show the improvement started in April when 1,015 immigrants entered compared with 964 in the same period last year. Both May and June have also shown a gain. The increase in May was 31%. Total immigrants for the 6 months are shown at 5,252, of which 40% came from the United States. Of the total, 2,213, or 40%, named their destination as Ontario.

• • •

Spanish Groceries

The Spanish rebellion has tied up trading in olives, almonds, malaga raisins and other food products, says Canadian Grocer. Any boat going into a port of Spain is liable to be fired on, and war risk has pushed insurance costs at all ports. Everything is pretty much at a standstill and importers from Canada have no idea where markets are and when they will be able to secure further merchandise. Few, if any, olives have been shipped out of the country for the past 2 months or more and shortages are imminent as soon as present stocks have been disposed of.

Similarly, almond prices have been moving up, the market having risen 4 cents a pound within 10 days. Prospects for fall shipments of malaga raisins are considered hopeless and similarly with Seville oranges for the 1937 marmalade pack.

• • •

Lumber Exports Soar

Overseas trade has been the one bright spot in Canadian lumbering during the past 5 years, says Rolland D. Craig, in Canada Lumberman. Home consumption dropped from 2.6 billion feet during 1926-30 to 875 million feet in 1933 and is still considerably below pre-depression years. Exports to U. S. dropped from 1.4 billion feet during 1926-30 to 351 million feet in 1935.

Overseas trade, however, is now double what it was during 1926-30, and in spite of the reduction in world prices, total value is over 40% higher. In the last 2 years Canada has shipped overseas between one and 1.2 billion feet (B.M.) valued between $19 millions and $22 millions. United Kingdom now absorbs between 50 and 60% of our total exports to the value in 1934 of $16.3 millions and in 1935, $14 millions. Canada's share in the U. K. market has now risen to 11.1% with indications that 1936 will show further gains in both volume and value and perhaps also in the proportion of the total value.

• • •

Co-operative Fishing

The principle of economic group action will be taught Canadian fishermen in different Atlantic areas according to a plan now being put into effect by the Dominion Department of Fisheries. Through the extension department of the University of St. Francis Xavier, thoroughly qualified instructors will present the principles of economic group action to the fishermen in study groups and classes, discuss what has been accomplished by group action elsewhere and assist the men in considering how to put principles effectively into action to improve economic and social conditions in their own community.

The groups will be free of charge and will be carried on in English and French. The first group is planned to be started in Northeastern New Brunswick extending the work as conditions permit first to the gulf coast of New Brunswick and to the Magdalen islands.

• • •

Tobacco Prospects

From Chatham comes a report that tobbaco is suffering from lack of moisture and it is not expected that the total yield will exceed 60% of last year's crop unless plentiful rains are received shortly, and favorable climatic conditions prevail during the next 6 weeks.

The crop will be 2 weeks later than usual and will, therefore, be exposed to the danger of frost during the latter part of September.

Business Maintained At New High Level

Summer Indices Reveal Many New Records for Post-Depression Activity

Productive operations in Canada were not greatly altered in July from the relatively high level of the preceeding month. The Financial Post business index moved up from 110.3 to 110.7. The index was higher than at any other time since July, 1930.

Reactionary factors included the deterioration of the Canadian crops due to drought conditions and the political unsettlement in Europe.

Financial Indices Gain

Financial factors were again favorable in the month under review. High-grade bond prices moved up to a new high level since the beginning of the century or longer. Bank deposits and security holdings of the banks showed gains at the beginning of the month. Common stock prices continued the moderate advance in evidence since the first of May.

The index of wholesale prices broke away on the upside from the zone of stabilization the rise being mainly due to adverse growing conditions for crop products. Each of the main groups in the official classification except the non-metallic metals showed increases over June.

Mineral Factors

Among the indexes showing the trend of mineral production, asbestos exports and bauxite imports were in the limelight although on balance the index for all mining declined.

Exports of asbestos were greater than in any July since 1925 due to revival of building operations in the United States. Imports of bauxite for the manufacture of aluminum were greater than in any other July in history.

Although the output of coal showed a slight gain over the preceding month and copper exports were at a considerably higher level, the remaining mineral production factors turned in an indifferent report. The index of nickel exports dropped from 224.9 to 197.9 although the outward movement was greater than in any other July in history. Lead production and zinc exports slid off in the near-term comparison. The gold shipments were greater than in any other July, but a decline was shown from the relatively high level of June.

Food and Forestry Gain

In general manufacturers' bright spots were disclosed in the food group and in forestry operations while imports of textiles, on the other hand, showed decline.

Strong elements included the flour milling and meat packing industries. The index of flour production moved up from 78.3 to 85.8. The increase in the manufacture of sugar was less than normal for the season.

The index of inspected slaughterings reached an abnormally high level at 149.8 being greater than in any other month in the post-war period. Cattle and hog slaughterings showed adjusted gains from the preceding month. Declines were shown in the exports of cheese and canned salmon after seasonal adjustment.

Preparations of the textile industry suggest recession in the near future. The imports of raw cotton declined from 7,400,000 pounds to 5,800,000. A relatively minor decline was shown in the imports of cotton yarn and thread. A considerably lesser volume of wool was imported, the index being down from 244 to 202.

The forestry industry was in the limelight, 3 of the significant indexes showing advances after seasonal adjustment over the preceding month. The advance in newsprint production was continued in July, the index at 172.5 reaching a new high point in history. Expansion was also shown in the exports of wood pulp, the total amounting to about 70,000 tons. The exports of shingles showed a gain while exports of planks and boards were at a somewhat lower level.

Iron and Steel

The primary iron and steel industry was less active in July, a slight decline being shown after seasonal adjustment in the production of steel ingots. The decline in pig iron production was considerable.

The production of automobiles was 10,475 units against 16,400. Owing to the change in policy the seasonal adjustment derived from the experience of preceding years is not applicable.

The imports of crude petroleum showed a decline. The supplies are being supplemented by direct imports of gasoline.

The tire industry continued active, the index of the output advancing in the latest month for which statistics are available. Crude rubber imports also showed a gain in July the index advancing from 122.4 to 133.3.

The outlook for the construction industry brightened, somewhat in July, the new business showing a gain after seasonal adjustment. These results counterbalanced to a certain extent the low levels of the second quarter.

Power Production Near Record

The index of electric power production reached a high level only once exceeded in history.

The railway freight movement was slightly more active, the index reaching 78.0 against 76.2 in June.

Merchandise exports again reached a very high level, gains being shown in both of the usual comparisons. Imports were less than in June but showed an increase over the same month of last year.

Part of the decline in bank debits was of a seasonal character but the adjusted index declined from 152.4 to 144.5.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.00	$5.85	$7.10
Hogs	9.90	10.15	10.65
Copper, lb.	.09¾	.09¾	.08½
Cotton, lb.	.1196	.1236	.1085
Rubber, lb.	.1612	.1631	.12
Sugar, raw, lb.	.0370	.0370	.0345
Silk, lb.	1.71	1.76	1.82
Wheat (Man.) bus.	.97½	1.04⅛	.81¾
Coffee, lb.	.08¼	.08½	.06⅝
Hides	.11	.11	.10½
Weekly Indices			
N. Y. Annalist	129.0	127.4	127.2
Fishers'	84.1	84.0	84.6
N. Y. Journal of Comm.	82.8	82.8	80.0
Crumps (Brit.)	70.4	70.2	64.4
U. S. Labor	80.1	80.3	80.1
Canada (D.B.S.)	76.1	76.3	71.6

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (July)	80.5	80.2	78.8
W'sale (July)	74.4	72.3	71.3
U. S. Labor (June)	79.2	78.6	79.8
Gt. Brit. (June)	81.1	80.5	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—No. 1 packer light native cows, New York; hogs — select bacons, Toronto.

No Plans Yet For N.B. Tax

Premier Dysart of New Brunswick is not yet ready to make any announcement regarding the special sales tax on outside companies passed at the last session of the New Brunswick legislature.

This legislation has not yet been proclaimed and may not become operative for some time, if at all.

Doubt has been expressed as to whether or not this legislation will ever become operative in view of the failure of the Federal Government to pass legislation amending the B. N. A. Act so as to give provincial governments constitutional authority to levy local sales taxes. It is believed in some quarters the New Brunswick bill was passed with the expectation that subsequent Federal legislation would clothe it with constitutional power and that in its present form it is open to legal challenge.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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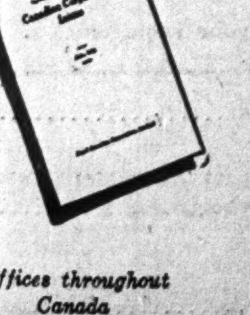

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In The Construction World

House Owners Ignored

FAILURE of the Dominion Housing Act to utilize anything like the $10 millions appropriation set aside for residential construction this year, is not surprising. Though applications for loans under the Act have been increasing steadily in the last few months, it is now apparent that at present progress, full utilization of the original fund would require a period in the neighborhood of 5 years instead of one. Failure of the present scheme, as The Financial Post has repeatedly pointed out, must be attributed largely to the Act's ignoring existing house ownership.

There was no help whatever for the person already in possession of a roof over his head. Indeed there was some actual menace to his investment, particularly if that home were constructed some years ago. With a mortgage of 6 to 7% and without the benefits of modern heating, plumbing and lighting, the owner of this old dwelling was placed at a distinct disadvantage, as government sponsored, cheaply financed and modern residences rose alongside. His maintenance costs were higher and his physical living conditions were less attractive. If his property were rented, naturally his chances of securing tenants were jeopardized and in any case the return on his investment lowered as more modern dwellings were offered in the vicinity.

* * *

Modernization First

THE new proposals to stimulate modernization through government assistance on the other hand promise to correct the main weakness of the Housing Act. Experience shows that improvement or modernization of existing premises precedes rather than follows new construction. This is especially true of a period like the present. Recovery has not yet proceeded to a point where the average man is willing to invest widely in house construction.

Trend of buying in the last few years has been more and more on a hand-to-mouth basis and the purchase of a home is certainly not an investment of that nature. Renting on short leases on the other hand does represent such a type of buying.

Here is where much of the modernization money has been spent so far, and here again is a potential market for a good deal more future spending. With modern heating, plumbing, lighting and interior decoration a very large percentage of the existing building can be put into first-class shape.

* * *

Building Societies

THIS month sees the inauguration of a building society in Newfoundland and rumors of similar organizations in the Hamilton, Ottawa and London areas in Ontario. The idea has been imported from Great Britain where much of the credit for the 3 million houses built in that country since the war is attributed to stimulation provided by such private societies.

Under the English type of building society prospective home owners make regular monthly deposits of small sums of money. Eventually when these have reached the size of a first payment they are supplemented by funds from investing members of the organization. The scheme may have to be modified before its adoption in Canada. Indeed a somewhat similar plan might easily be adopted by existing loan companies. If anything like as successful as in the United Kingdom, then something like a real housing boom might be expected as the deposits gradually reached the stage where actual construction was warranted. It has been estimated that had house building in this country for the first half of 1936 reached the Old Country tempo then some 47,000 new dwellings would have been erected in place of the 2,500 actualy built. Moreover of this 47,000 over 80% would have been privately financed.

* * *

A United Voice

TORONTO may reorganize its existing special city council committee on housing.

In its place, city authorities are considering a new permanent housing committee to be composed of 10 members with powers not yet definitely settled. It is understood the board would act in an advisory capacity and would have no right to expenditure on behalf of the city.

Creation of the committee is likely to follow closely the lines proposed by a special report of the housing branch of the citizen's "Development and Recovery Committee" and would function in much the same way as the Toronto Industrial Commission, city authorities retaining control of the final disposition of the committee's recommendations.

Formation of a permanent committee by municipal authorities is in line with efforts in all parts of Canada to co-ordinate efforts toward reviving house construction. Such a committee tends toward continuity of policies and their effective execution rather than divergent and often conflicting plans adopted by successive municipal bodies changing at the will of the electorate from year to year.

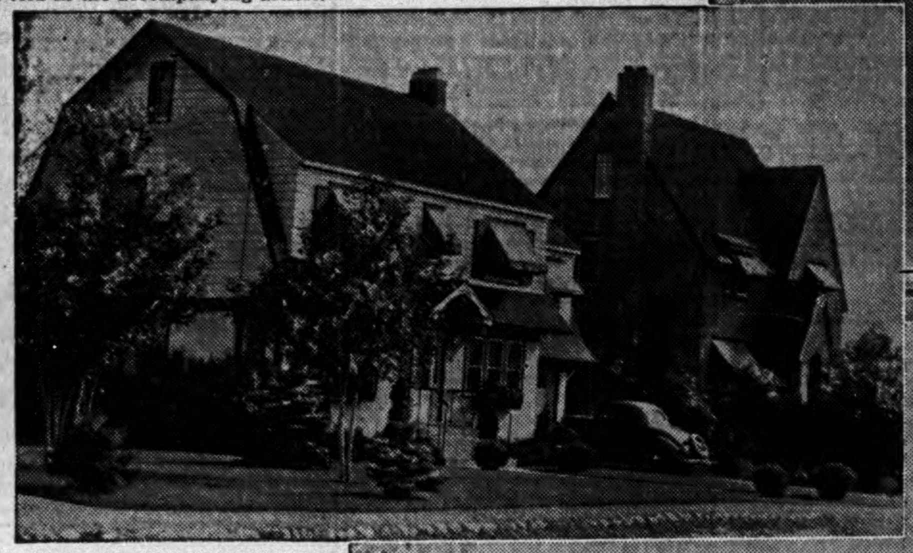
If the proposal is adopted, Toronto may be among the Canadian cities able to speak with an authoritative voice during the discussions of municipal representatives at various national conferences.

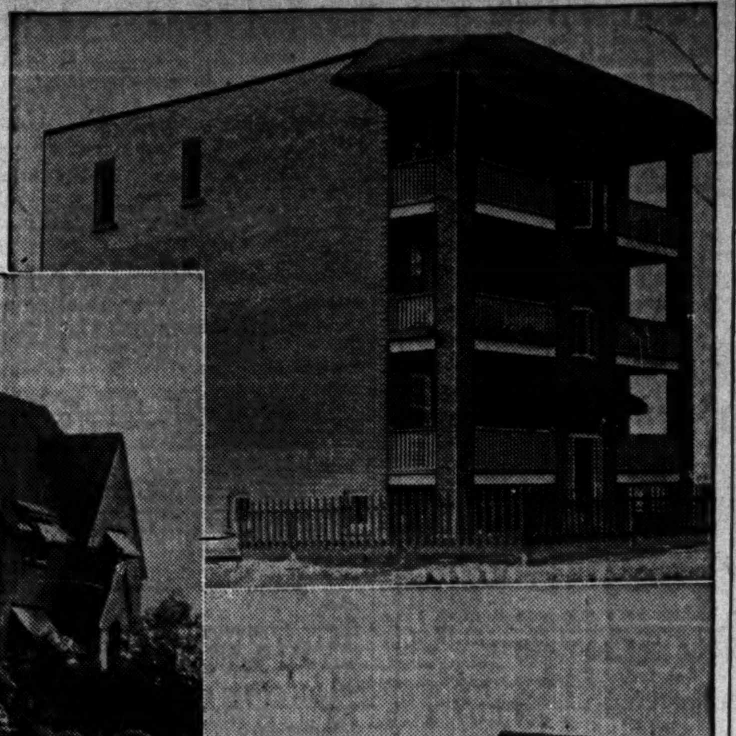
MINING ACTIVITY BOOMS BUILDING

Hand in hand with Canada's northern mining boom has been a demand for houses.

Noranda has not grown from a village of 700 in 1921 to a bustling town of over 4,000 without a burst of house building. Timmins's jump from 3,800 to over 17,000 in the last 15 years has experienced a similar expansion. During the same period Trail moved up from 3,000 to 8,000 while Amos, Copper Cliff, Thetford Mines and Rossland have forged ahead.

Typical of this activity has been the case of Sudbury, home of Canada's nickel industry. From under 10,000 in 1921 this thriving mining centre now must provide homes for 2½ times that number. How it is doing so is told in the accompanying article.





BUILDING BOOM

Notwithstanding 400 new houses this year residential space is at a premium in nickel boosted Sudbury. Above, 2 of the higher class homes in the O'Connor Hill area. Right, above, electrically equipped apartments for which tenants pay $50 per month. Lower right, a row of 10 cottages in the moderate class field, monthly rent $32.50.

Canada's Mining Boom Draws in Construction

By H. S. BROWNING

SUDBURY.—Unequalled probably by any other centre in Canada, Sudbury has experienced 2 building booms—with a world-wide depression sandwiched in between—within less than a decade. It has attained the status of cityhood, and has seen its population increased by 150% in 9 years. At the same time it witnessed the construction of nearly 3,000 additional homes.

The unprecedented growth of the nickel city is reflected in these population records:

Sudbury's Growth

Year	Population
1927	10,301
1928	12,233
1929	16,622
1930	20,100
1931	19,631
1932	18,352
1933	17,246
1934	20,079
1935	22,116
1936 (estimated)	25,000

Due to Nickel

All of this, of course, has come about through the expansion of the nickel-copper industry. The trend is readily discerned in the above figures — the inception of International Nickel Company's expansion in 1928, the attainment of the peak of the construction programme in 1929-30, the intervening depression together with the exodus of the building crews.

From the low point of the economic depression reached in 1933, Sudbury recommenced its march of progress with the noticeable pickup in the nickel industry in that year. Then came the second chapter of expansion in International Nickel operations initiated in 1935; reaching an accelerated tempo this year, which has revived building activity to a marked degree, reminiscent, although less significant, of the days of 1928-30, when the initial expansion programme of Nickel in which over $50 millions was expended in mine and metallurgical plant extensions, brought a new era of prosperity to the city and district.

Inco Spending $10 Millions

International Nickel's capital outlay for 1935-36 in the Sudbury area in further preparation to meet the growing demand for nickel and copper, will approximate about $10 millions. The sum includes a new $6 millions smelter and high stack, enlargement and changes to the 8,000-ton concentrator costing $1 million, sinking of a new shaft and underground development at the Creighton Mine calling for $2.7 millions, and a new change house for smelter and mill workers at Copper Cliff at an expenditure of $250,000.

These various projects have insured employment all year for an additional 1,000 to 1,200 men, a large number of whom will likely be absorbed into steady work when Inco puts its enlarged operating programme into effect before the close of the present year.

On a much smaller scale, but having a corresponding beneficial effect upon the economic situation, Falconbridge Nickel Mines is expending over $2 millions in increasing its productive facilities at mine and smelter at its property 15 miles from Sudbury, a programme designed to boost production by 25%, and scheduled to become effective this fall.

All of these projects, naturally, have forced the necessity of furnishing additional accommodation in Sudbury. The vacant houses of depression days are no longer in evidence. They have long since been reoccupied, and the city has been hard-pressed to meet the demand for living quarters, with the inevitable result—higher rents.

400 New Homes

But a survey shows that Sudbury has been able to keep housing supply pretty well up to demand this year. For a time before building weather set in there was some congestion, but it did not approach the experiences of 1928-30, when some homes were shared by 2 or 3 families. There is still overcrowding where families have doubled up—compelled to do so by the abnormal rents and because moderate-sized and low-priced houses are not too plentiful.

Sudbury, before snow flies, will have this year provided accommodation, it is estimated, for about 400 extra families, at a cost of around $850,000. To July 31, building permits had totalled $552,999, covering 328 individual projects. The great majority of them are residences. But the activity does not yet approach that of 1929 or 1930, in which years over 1,400 new homes were built. The following figures tell their own story:

Sudbury Building

Year	Permits	Value
1926	186	$ 547,360
1927	189	391,360
1928	319	558,475
1929	600	2,311,120
1930	820	1,914,600
1931	352	600,205
1932	138	91,240
1933	103	66,235
1934	174	133,670
1935	362	443,610
1936 (est.)	400	850,000

Mostly Residential

During the best years a portion of the total volume has been accounted for by business premises, but the city has seemingly exercised caution about overbuilding here, the main projects since 1928 having been a large moving picture theatre, a 3-story store and office building, new garages and additions, a few store enlargements, together with a large wing to St. Joseph's Hospital and a new district jail.

But one business block landlord this year has taken advantage of the prevailing opportunity to capitalize on the improved outlook and at comparatively little cost has halved an 8-foot main hallway in his block to provide a 4 x 16-ft. store bringing in $900 annually in extra rental. Among the larger projects this year are a store and office building, 2 new garages, 2 or 3 apartment houses and a community hall. This is all in addition to nearly 400 residences.

Depression Fades

And, of course, the industrial improvement has been a Godsend to the overburdened taxpayer in alleviating the relief bugbear. Whereas in the depth of the depression between 700 and 800 families were on the list of beneficiaries, many of them transients from other centres who were good-naturedly cared for by Sudbury citizens, the relief panel is now down to 120 families, the heads of many of which are unemployables.

Through co-operation by International Nickel and Falconbridge, the greater number of the relief recipients in Sudbury have been absorbed into gainful employment, the companies applying in the first instance to the relief department for their quotas of labor.

It is estimated, also, that when construction work is ended many of these men will be enabled to secure work as the regular productive operations in the nickel industry are stepped up.

Briefly, the reason for the increased building activity may be found in these impressive figures:

Expenditures by Nickel Industry

	Salaries and Wages $	Capital Expenditures* $
1929	10,117,197	21,497,608
1930	10,725,893	12,328,918
1931	7,004,403	4,679,435
1932	3,920,585	535,652
1933	5,588,610	448,625
1934	8,864,772	2,395,258
1935	11,275,650	3,206,642
1936	14,000,000‡	10,000,000
	71,897,120	56,092,138

‡Estimated. *International Nickel Co. only.

Air-conditioning In India in 1876

Air-conditioning is not new.

Sixty years ago an English firm sent its representative on an important trip to India, to complete a contract with an Indian maharajah.

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William B. Henderson, executive vice-president of the Air-Conditioning Manufacturers' Association talked with the old-timer who installed the equipment. He is authority for the statement that it was probably the first mechanical air-conditioning plant on record.

Real Estate And Building Rise in Value

Winnipeg Shares Upward Trend Among 252 Cities

RENTS ARE HIGHER

Winnipeg, only Canadian city to be included among 252 cities of North America reporting to the National Association of Real Estate Boards on real estate and building prospects, is experiencing marked improvement in these directions, compared with last year.

The survey, made semi-annually, and exhaustive in scope, reveals that the real estate outlook for a very large proportion of the cities in the U. S. is also the most promising in many years The survey is the 27th semi-annual one of its kind.

Stiffening earning power of real estate, including business as well as residential properties, is the highlight of the board's findings. New home building is being held back in some communities by construction costs, in others by difficulties still experienced in adjusting mortgage terms to buyers' needs, and by other causes. The majority of cities have reached the point where home sites are again in demand, however, and the real estate market in general is more active than a year ago in 92% of the cities reporting.

Rents Are Rising

Winnipeg reports its market more active than last year, but with little change in prices. There is an under-supply of single-family dwellings in the city, but supply of apartments and business property is normal.

Rents in Winnipeg are reported above those of last year for single-family dwellings by about 10%, and rates for heated apartments have advanced about the same amount. Interest rates are falling and the commonest rate for first mortgage loans on new, moderately-priced homes is 6%.

Selling Prices Higher

The survey as a whole shows that real estate is selling for higher prices than a year ago in 77% of the cities reporting, while only 1% show a price level lower than last year.

Although Winnipeg is the only Canadian city covered in the semi-annual survey, data compiled from other sources indicate that Montreal has shown a sharp gain in real estate activity recently, more particularly in the construction field.

Toronto, however, has recovered more lost ground since the lowest point of the depression curve, in 1933.

Allowing for an appreciable increase in rehabilitation and replacement business, the Canadian Institute of Plumbing and Heating reports that the present total of plumbing and heating business in Toronto and suburbs is approximately at the 1931 level. This is equivalent to about 40% under the 1929 peak. Montreal, however, is still 60% below the pre-depression high point.

Lumber Industry Active

Increased payrolls from the lumber industry in the vicinity of New Westminster, British Columbia, are having a beneficial effect on the general buying power of the community. The outlook for the next few months is very promising.

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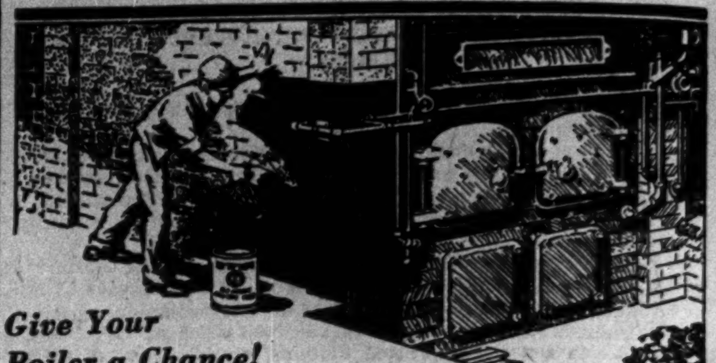

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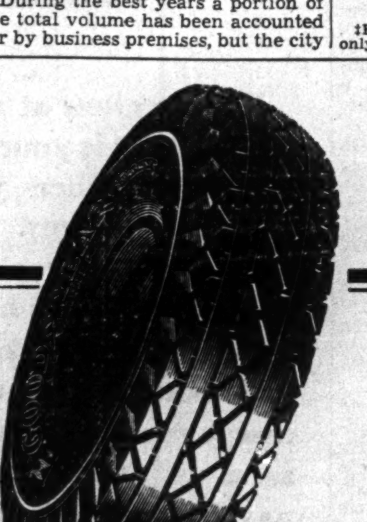

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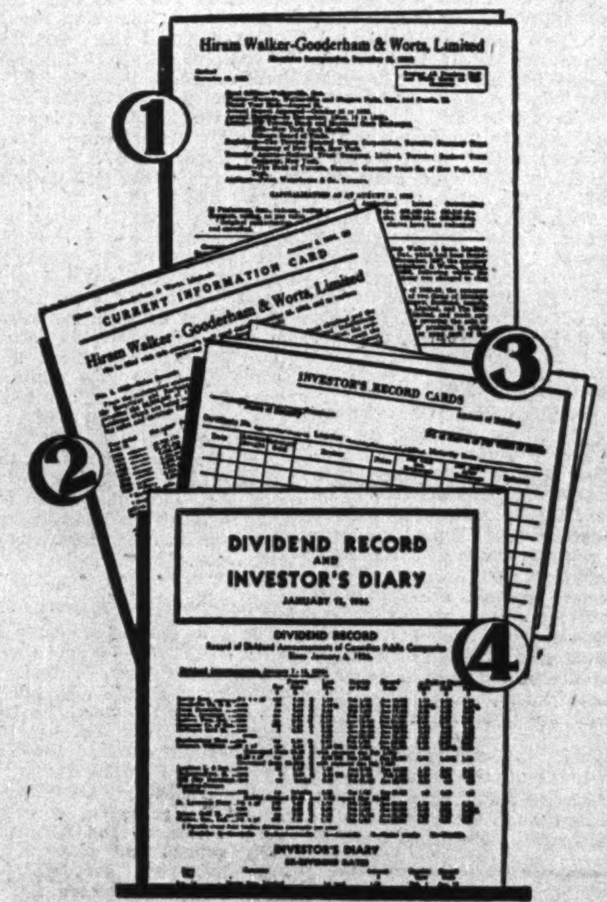

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SECOND SECTION

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Report Flays Management By Wall St.

Kennedy Claims Troubles Enhanced by Expert Advice

PICTURE MEN BACK

Joseph Patrick Kennedy's $50,000 report on Paramount Pictures has shaken the doves' nests in Wall Street. It was presented in June but at the annual meeting in July no shareholder was allowed to discuss it though Mr. Kennedy himself wanted a copy sent to every security holder. Eventually the company offered to show any interested shareholder a prepared summary. It was not supposed to be for the press but reporters accompanied obliging shareholders and discovered the reason for all the mystery.

John Patrick Kennedy himself has had a picturesque career as a picture producer with some notable successes and some not so good. In the industry at large he is highly regarded.

As a financial man his reputation was good enough to lead to his appointment to supervise and control stock exchange operations in the United States under the New Deal legislation which aimed at preventing the least savory phases of manipulation of stocks. His experience was regarded as sufficiently wide to enable him to distinguish between reforms that are constructive and those that merely hamper in a business which is complex, swiftly changing and much under fire.

All of this makes his findings on Paramount and on reconstruction methods of Wall St. timely and interesting.

Mr. Kennedy was acid in his criticisms of management since Paramount came out of receivership in mid-1935. He studied the production department root and branch and said it would be a waste of the company's money to go any further with his probe until changes were made in management and policy.

Why Money Not Made

Why has Paramount not been making money in a year when other well-managed picture businesses were making substantial profits? Mr. Kennedy answered it was not only not making money but he saw no hope of its doing so until drastic management changes were made. He said the bad results were cumulative effects of a chain of incompetent, unbusinesslike and wasteful practices to be detected in every phase of production. He traced this incompetence to lack of confidence in the management and direction of the company's affairs in the New York office.

Mr. Kennedy's connection with the company ended on July 1, but things began to happen. The old chairman, Adolph Zukor, was sent to Hollywood to straighten out production problems; president John Edward Otterson retired; Barney Balaban, an experienced showman, took his place. Other showmen replaced businessmen directors. Since last May the Paramount picture has brightened considerably.

Wall St. Blundered

Mr. Kennedy's report, while devoted to Paramount affairs exclusively has had repercussions beyond that company as it is considered to be a blow at the practice of bringing in big businessmen to renovate industries with which they are not familiar. Mr. Kennedy, in brief, found a great deal wrong in Paramount last June and said it was because Wall Street was trying to run Hollywood.

The old Paramount, which succeeded Adolph Zukor's Famous Players with its conservative Kuhn, Loeb and Company tradition, had, says Mr. Kennedy, "on paper every element for success."

Yet, before the first breath of real adversity Paramount failed when smaller, less conspicuous companies, directed by practical theatre men—unaided by businessmen — succeeded.

"It was while the best downtown business brains were advising the showmen executives of Paramount that the company was committed to the programme which expanded its real estate investments from $17 millions to $200 millions," says Mr. Kennedy. "Today the new company is at a crisis, after having been set up for a year with quality businessmen at the helm and on the directorate with $20 millions of cash and no current obligations pressing for settlement. So that it would seem that Paramount's present problems cannot be solved by merely condemning the practices and habits of the picture industry and calling in big business."

Good Pictures Needed

The real need of Paramount, in Mr. Kennedy's opinion, is "positively and definitely good pictures." These, he claims, are not the "by-product of businesslike administrations." Good pictures, he says, are generally "fortuitous happenings or breaks which come to every company once in a while in the picture industry, yet cannot by any known scheme be assured to anyone." The place to get such breaks, however, is on production lots, not in the directors' board rooms.

Mr. Kennedy's ire was most raised by the 1936-37 feature schedule which started in November and by May included 50 pictures. Many vaguely conceived plots had then to be dropped because suitable casts could not be obtained, because costs were excessive or because the sales department thought they would prove unmarketable. In 3 weeks the list was down to 29, only 3 of which were in production. Not one had a completed script, reports Mr. Kennedy. Other companies at the same time were nearly ready to start releasing for the new season.

A score of pictures were produced last season. Camera work began on the average 20 days after the starting date set. On 14 features Mr. Kennedy estimated the cost of delay in terms of idle artists' salaries amounted to $23,000 each. On one picture no less than 19 writers tried desperately to express definitely the vague ideas of a producer.

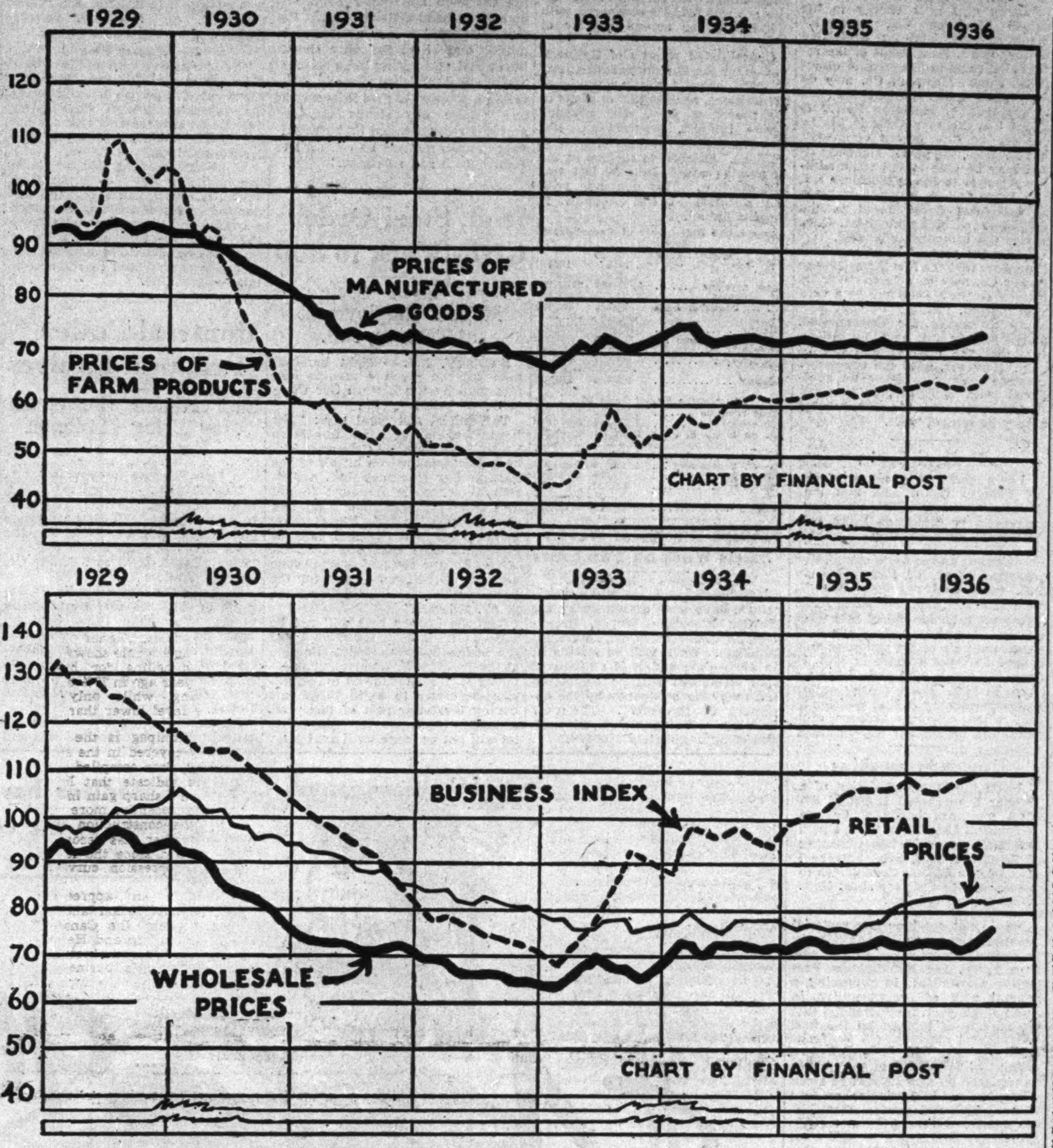
Of Paramount's total studio overhead of $5.5 millions nearly one-half represented provisions for losses on stories and scenarios later abandoned and artists' salaries for idle and excessive time spent on pictures. Among other things Mr. Kennedy deprecated the influence of board of directors on studio operations, unfortunate dealings with producers and directors, ineptitude in dealing with stars and production problems, extravagance in completing acceptable scenarios, excessive totals of studio overhead expense, and failure to prepare scripts, final cost estimates and shooting schedules on time.

Costs of pictures for the 1935-36 season exceeded budgets by $7 millions. Large expenditures on stories, scenarios and artists' salaries were subsequently written off. The entire loss recorded by the studios was about $7 millions.

The Financial Post has already told the story of the changes in management and direction. Mr. Kennedy's report makes it plain why picture men were put back to control production and exhibition.

Commodity Prices Are Moving

Business Recovery and Monetary Background Major Factors in Probable Price Advances—Lack of International Co-operation Endangers Stability



ON THE UP TRAIL

Fluctuating within very narrow limits, commodity prices in Canada have gradually been climbing up the recovery trail. Last month a new high for the recovery period was reached at 75.4% of the 1926 level, almost 20% above the depression low of some 3 years ago.

Much of this advance may be attributed to greater business activity, with credit also to such factors as depleted material stocks, increasing government expenditures, money manipulation. Based largely on the premise of continuing business recovery and an expanding supply of money, the opinion of most authorities is that the movement will continue upward.

In the charts above, the trend of prices and of general business over the last 8 years is depicted as an index based on 1926 equalling 100. The lower chart shows the fluctuations of wholesale and retail prices over the period and includes as well The Financial Post business index.

In the upper chart, the trend of farm prices is compared with that of manufactured goods—a basic relationship in Canada's economic structure. One of the most encouraging trends of the recovery period has been the narrowing of the spread between what the farmer receives for his produce and what he has to pay for the manufactured goods he must purchase.

By S. F. HOWARD

Commodity prices are on the upgrade.

Most authorities are definitely of the opinion that the day of low commodity prices, one of the more obvious concomitants of depression, has come to an end and that the world generally is in for a period of advancing price levels. How far this movement will go, no one is in a position to predict. It is obvious there are too many variable factors to venture a final opinion.

The commodity price situation has basked in the limelight recently because of drought conditions and armament expenditures. The effect of these agencies in jacking up material costs has been widely publicized. But there are factors even more fundamental than these which appear to be exerting a definite, if gradual upward trend—a trend already apparent in most countries.

Canadian Advance 20%

In Canada, for instance, the depression low in commodity prices was reached back in February, 1933. At that time the index of the Dominion Bureau of Statistics stood at 63.5% of its 1926 average. Since then there has been a definite strengthening, although it has been so gradual as to have passed with very little mention. At the end of July, Canadian prices had risen to 75.4% of the 1926 figure, an advance of almost 20%.

Similarly in Britain, where the Economist's index has worked up to 71.7, compared with 60.4 when gold payments were suspended. The advance is general, including a wide range of commodities. And in the United States, too, the movement has been upward since 1933, although some easiness was apparent early this year.

What are the factors which have led to this upswing, and on what do observers base their opinion that prices will continue to climb?

Recovery Progress

Perhaps most fundamental is the general business situation. Returning world prosperity has advanced to a degree not generally realized. Despite continued prevalence of nationalistic policies and related factors which have played a major rôle in aggravating and prolonging depression, recovery has reached a peak which compares quite favorably with "normal" times. Most are too apt to consider the peak years of 1928-29 as normal, overlooking entirely the artificiality of much of that activity.

Accompanying this progress, one would naturally expect greater outlay for materials, additional wage distributions, and so on, completing the "happy" circle, as contrasted with the "vicious" circle subsequent to 1929. Reversing the all too familiar reasoning that lower wages entail reduced demand which means lower prices and curtailed production which leads to lower wages, etc., the logical forecast would appear to be higher prices as an accompaniment of heightened business activity.

Surplus Stocks Down

The age old law of supply and demand has survived price regulatory activities of many governments, and despite a false bravado on the part of those who pretend to disregard its inevitability, continues to play its dominating rôle in the price structure. Consequently, coupled with renewed business activity, it is most encouraging for those who contend that higher prices are essential, to note diminished stocks of a number of leading commodities. A financial critic recently stated that a surplus of credit has replaced surplus of raw supplies. And as a consequence cheapness of commodities has been replaced by cheapness of money.

In view of the marked upturn in business, it is rather surprising that prices have not shown greater buoyancy. To unsettled monetary and political factors, to impeded international trade, and a number of lesser factors may be attributed a part of the blame. From now on, however, most authorities are of the opinion that returning business activity must be reflected to a greater extent in the price level.

Armament Hoists Prices

The relation between armament and prices is particularly noticeable in Europe. In Great Britain, for instance, some contend that recovery is entering a new phase with armament replacing construction and internal trade as the motivating force. And with this development is the claim, recovery gives indications of assuming boom proportions.

The results of arming policies are most apparent. Germany and Italy are financing arms expenditure by use of interior currencies, involving concealed inflation. Drastic changes appear inevitable in France. Britain, in the opinion of many, will have to abandon a balanced budget. All with obvious effects on prices.

Armaments are but one form of government spending. Swollen commitments, arising largely from depressed conditions, have skyrocketed expenses of all government bodies. Financing budget deficits cannot but be reflected to some measure in the price level. Even the additional taxation, levied in an attempt to narrow the gap between revenue and expenditure, represents a cost to the businessman which is often passed along in the price of his product or service.

Monetary Prospects

Possibly most important of all as influencing the future of the world price level are monetary factors. In many respects, money has been the "goat" of the depression. To it have been ascribed many of the sins which could much more justifiably be laid at other doorsteps. With it weird schemes have been proposed—some initiated—to gain admittance to the happy haven of depressionless business. It is perhaps only to be expected that as money is the means by which goods are exchanged and their value measured, attempts to raise prices have been made through tampering with currency and credit.

Money Supply Expands

No country in the world has avoided the rigors of deflation in the last 5 years. Even in those European countries where inflation in the previous decade had instilled loathing of an unstable currency, the miseries of contraction are tending, in the public mind, to outweigh the perils of expansion. In this connection the London Economist states, "There can be little doubt but that the majority of public opinion all over the world is in an expansionist mood. This, in itself, suggests at least the possibility of a rise in prices."

But for a period of rising prices, more than an expansionist psychology is needed. There must also be an expanding supply of money. Perhaps the best measure of money supply is to take the quantity of currency plus the cash basis of the banking system. And even in these days of management, the cash basis of the banking system still means gold. Thus gold supply is of utmost importance when considering the price situation.

Gold Stocks Up 32.7%

The Economist presents startling figures on production and supplies of the yellow metal. Output has shown mushroom growth in recent years, rising to a peak of 31 million fine ounces in 1935 from less than 20 millions in 1929. By 1940 it is estimated production will have jumped to 40 million ounces. Assuming the same relation between gold used for monetary and other purposes continues, this means that the annual addition to stocks of monetary gold will have increased from about 10.5 million ounces in 1925-29 to something like 32 million ounces in 1940.

At the same time, there has been a sharp movement of hoarded gold and that used for commercial purposes into the monetary realm. In consequence, world monetary stocks have risen from 553.6 million ounces in 1929 to 734.3 million ounces in 1935.

Even this is not all the story. Devaluation has materially increased the price of gold in a number of countries. The Economist assumes for purposes of illustration that "when the present period of currency turmoil comes to an end" world currencies will be devalued to an average of 66 2/3% of their former gold values. This would have the effect of increasing the price of gold 50%. In effect, then, the increase in monetary gold stocks between 1929 and 1940 will have been 98.9%.

In the words of the English journal these figures suggest "that there is a greater unused supply of money, or potential money, in existence now than ever before in the history of mankind. . . . Unless the lessons of all monetary history are falsified, a very large rise of prices is in prospect."

For the world movement to get under way it is suggested there are 2 requisites: Devaluation of the gold bloc currencies; and a powerful initial impetus from some country.

The first is believed quite possible within a few months.

In respect to the second, The Economist points out that "there are 4 factors in the present monetary circumstances of the United States which make it more than likely that there will be a considerable rise of prices in America in the near future." These 4 are: Large gold stocks and swollen bank cash; paucity of control over monetary matters; inflationary bias of the Federal Reserve system; and the necessity of financing a large government deficit.

The recent action by the Federal Reserve authorities in hoisting member bank reserve requirements, while drastically cutting down the huge volume of excess funds, still leaves almost $2 billions of excess reserves on which a credit pyramid can be constructed.

Need For Exchange Stability

There is latent danger in the monetary situation, however.

In the past, some measure of international co-operation in exchange stability was afforded by the working of the gold standard, which ensured at least that those "on gold" would attempt no monetary monkeyshines. That day appears to have passed and in its place has developed a trend to managed currency systems in which self-preservation seems to be the chief concept. Nationalism has extended to the monetary field.

Unless some stabilization agreement is arrived at by the leading nations, no stability can be assured world prices. At the present time some such agreement appears essential if a currency depreciation war is to be avoided.

The basic importance of exchange rates as affecting commodity prices is clearly illustrated in this country. In Canada, fluctuations of commodity prices, apart from a very few major commodities and those home-produced products which are included in living essentials, are peculiarly dependent on world conditions. Only in such commodities as wheat, newsprint and some of the metals such as nickel, copper, lead and zinc, does Canadian production bulk sufficiently large to exert any significant influence on world price.

For most commercial products, it may safely be said that the Canadian price merely reflects that in the world market—perhaps it is safe to say that in the leading producer country — qualified by prevailing rates of exchange. This is not to say that the home market is of no importance. Particularly in respect to short term fluctuations, domestic demand and supply have a most important bearing.

Farm Products Gain

Of prime importance to Canada as a whole has been the trend of prices over the last 3 years. Not only in Canada, but in the United States as well, there has been a tendency for prices of farm products to advance in relation to manufactured goods. The benefit from this development can hardly be over-emphasized. One of the basic relationships of Canada, some equilibrium between what the farmer receives and what he has to spend for his purchases is a fundamental to prosperity. The accompanying chart graphically depicts the wide spread between these prices since the advent of depression.

Drought Effects

In recent weeks the gap has been still further narrowed. Prices of practically all agricultural products have strengthened following drastic reduction of major field crops. Drought has practically assured that the wheat surplus which has glutted the market in recent years will be largely liquidated. It appears certain that higher prices will be maintained for a year at least.

Other commodities, in which Canadian production is of international importance, also give evidence of advance. Some increase has already been announced in newsprint, for instance. And for metals the outlook is quite bright. In the doldrums for years, the construction industry has taken on a new lease of life, and while still at extremely low levels, gives promise of hoisting demand for some of the base metals and other construction materials.

Advocates Aid Of Government To Weak Firms

Illinois Director For Rehabilitation Not Receivership

SPEAKS AT QUEBEC

By STAFF REPORTER

QUEBEC.—The suggestion that governmental insurance bodies be given power to rehabilitate weak companies rather than merely "put them through the cold wringer of a statutory receivership" was made here this week by Ernest Palmer, director of insurance for Illinois and president of the National Association of Insurance Commissioners, speaking before the 19th annual meeting of the Association of Provincial Superintendents. Mr. Palmer spoke on the "Value of the Insurance Department to the Average Citizen."

"The average citizen does not think very much about insurance," said Mr. Palmer, "except upon 2 occasions; once when he pays his premium and he wonders whether he is paying a fair price and; second, and last, probably when a claim matures and he either collects or tries to collect what he thinks should be coming to him. Citizens generally do not know a great deal about either the management or the solvency of the companies whose policies they purchase. In the majority of instances they rely upon some agent or broker whom they know.

Three Main Functions

"Any department of insurance operating efficiently must accept primary responsibility in the three following instances:

"1.—To see that no licensed company sells insurance to the citizens of the State unless it be sound, solvent and honestly managed.

"2.—To see that all policy contracts are fair and give to the policyholder the coverage which he has a right to think he has purchased.

"3.—To see that those who sell insurance are competent, honest and licensed by the State.

Insolvent Companies

"During the past few years insurance departments, where they have proper legislation to support their action, have been of great value to the average citizen in handling companies which were weak or insolvent. Unfortunately, the laws of most of our States do not give the insurance department sufficient authority to rehabilitate a weak or insolvent company. About all most state departments can do is to put them in receivership and reinsure them, or liquidate them.

"Probably no business catastrophe brings as much tragedy to as many people as does the failure of a life insurance company. Without dwelling upon that unpleasant subject, certainly we should admit when considering the value of the functions and the responsibilities of an insurance department, that the legislative branch of the Government should give all necessary authority to permit the department to rehabilitate weak companies, rather than merely to put them through the cold wringer of a statutory receivership.

Must Keep Abreast

"The insurance department can be of value to the average citizen only if it knows the needs of modern business and by its advocacy of up-to-date legislation and business-like interpretation of the statutes lends what aid it can.

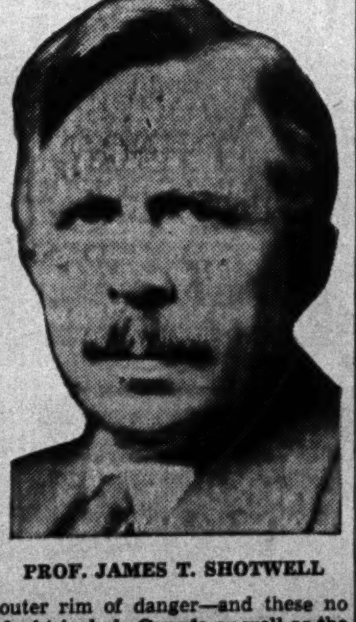
"The insurance department further, if of any value, should be in a position to help discount arbitrary and unreasonable propaganda designed to undermine the faith of the people in this great necessity of life. If a department cannot defend the business institutions under its supervision it should correct the things which need correcting. Of course we must enforce the laws as we find them and some companies and some agents at times feel this to be an unreasonable attitude.

"Another important function of value to the average citizen is to suggest the amendment or repeal of obsolete and unworkable legislation and to draft new laws to meet modern conditions. Certainly if an insurance department is functioning properly the director and his staff, above all other persons in the State, should know whether the laws are workable and are sufficient to accomplish the three primary objectives already outlined."

New Books

ON THE RIM OF THE ABYSS. By James T. Shotwell. Published by the Macmillan Co. of Canada, Toronto. Price $3.

The abyss is the threat of world war. Some nations stand on the very rim of it, others stand back a bit but they are still close to the rim. Professor Shotwell contends that the United States is one of those countries that is two or three circles away from the very rim, but, despite its self-satisfying feeling of isolation and its pretentions of neutrality, it is not certain of staying out of war, if war comes. He does not feel that it will be possible for the United States to escape if the whole shell of our international world should crumble with the conflagration of a major war. Thus the only hope for the United States is peace among others. To protect itself it must help other nations to remain at peace.



PROF. JAMES T. SHOTWELL

Problem of Isolation

Professor Shotwell recognizes the instinctive recoil of the American people from the danger of being involved in a world war. Moreover, he recognizes that the nations on the outer rim of danger—and these no doubt include Canada as well as the United States— cannot be expected to assume or perform obligations to take military action in the case of aggression anywhere in the world. Thus is brought to the problem he discusses in this volume: how the United States can be brought to make its contribution to world peace, which it desires, without having to assume unlimited and undefined military obligations.

Professor Shotwell's plan is today a development of the one he suggested to Colonel House in 1919. Briefly, it calls for elimination of Article 10 and Article 16 of the League of Nations covenant; for the reconstruction of the League of Nations from its present theoretical position of a league of armed forces into a league of conferences aiming to remove the causes of war. In the development of his argument, he gives the record of post-war efforts at peace, discusses the various attempts to bring the United States into the system of collective security, and analyses the results of the economic and political conferences held under the auspices of the league in recent years.

Author is Canadian

Professor Shotwell is a Canadian. He was born in Strathroy, Ontario, and educated at the University of Toronto. At the beginning of the century he went to Columbia University to study and then to teach, becoming in time Professor of History—a post he has since occupied. As director of the Division of Economics and History of the Carnegie Endowment for International Peace, he has been the editor of numerous studies in world history and international relations.

To an understanding of the American attitude toward Europe, an attitude which has greatly influenced Canadian opinion on the League of Nations and the League covenant, a study of Professor Shotwell's volume is essential.

Halifax Bankers Hire Policemen

From Our Own Correspondent

SYDNEY.—Special services to the banks by the members of the Halifax police department will be charged at the rate of 75 cents per hour per man, the police commission of that city has decided.

The police are used for about one hour per day, guarding the passage of money between the banks and the Clearing House.

New Industries

McColl-Frontenac Oil Co. is completing plans for the erection of a garage in Winnipeg to cost approximately $50,000.

Associated Oils Refineries will make extensive plant installations in its new building at Saskatoon.

Provincial Oil Co. Ltd. is constructing a $10,000 gas storage plant and warehouse in Vancouver.

Hamilton Cottons Co. Ltd., has awarded a contract of about $20,000 for construction of boiler room additions and other space to its Hamilton, Ont., plant.

Andrews Wire Works of Canada Ltd., Watford, Ont., is starting work on a brick addition which will increase the plant's capacity by one-third. (Canadian Trade Abroad).

Canadian Spool Cotton Co., Montreal, has awarded contracts for plant additions and alterations to cost $40,000.

Duplate (Windsor) Ltd., Windsor, Ont., is nearing completion of its plant, on Walker Road, which will shortly begin production of armor plate safety glass.—(Windsor Star).

Westminster Mills Ltd., New Westminster, B.C., is erecting a new dry kiln at a cost of $8,000.

The North West Biscuit 5-story building in Edmonton has been purchased for about $50,000 by the Canadian Bedding Company Ltd., the Alberta Feather and Down Co., and the Alberta Furniture Company, each of which will occupy part of the structure. Manufacturing equipment is being moved in by the new owners who bought the building from the Canada Biscuit Co., successor to North West Biscuit. Original cost of the building 13 years ago was $180,000.

Newfoundland Codfish Lose Spanish Market

ST. JOHN'S, Nfld.—By the law of compensation Newfoundland is due for a break of some sort, because the Spanish civil war has closed to her the most profitable of all her codfish markets.

Spain took the best quality of salt codfish exported, and paid a proportionately high price for it. Loss of that market is one of the worst of many blows the island's fishery has had, because no other market will pay the additional price for Spanish quality codfish.

Your Investments

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Ottawa Valley Power

Is Ottawa Valley Power a sound concern? Is the company earning its bond interest and likely to continue paying same and to meet the principal when due?

Ottawa Valley Power Co. was created for the purpose of building a power house to supply electrical energy to the Ontario Hydro-Electric Power Commission. The latter made a contract to take practically all the output over an extended period of time. This contract was repudiated last year and as a consequence, Ottawa Valley Power's source of revenue was cut off. However to date interest has been paid, though the company has no income. As you are probably aware, the company took legal action against Ontario Hydro for the repudiation of the contract. This case was lost in the lower courts, but was appealed and the appeal will be heard in September. Meanwhile, officials of the company feel confident that in time the output of Ottawa Valley Power will be required by Ontario Hydro and that eventually the bonds will be restored to good standing. As regards continued payment of interest, the outlook is uncertain and it is possible that the bondholders may be asked to defer this obligation until the legal and operating position is cleared up.

Dominion Coal 6's

Would Dominion Coal Co. 6% 1955 bonds be a good buy for income?

Dominion Coal Co. 6% bonds of 1955 should be a satisfactory purchase for income. These bonds were issued in 1905 and since that time interest and sinking fund have been met promptly. The equity back of these bonds is very substantial and the financial statements show that, with the exception of the year 1931, bond interest has been earned several times over. Last year all interest charges were earned 2.15 times after sinking fund and depreciation, while interim reports would indicate that the showing for 1936 will be equally as satisfactory.

Hamilton Bridge

What in your opinion are the prospects of Hamilton Bridge Co. paying a dividend on its preferred stock this year? Also, can the preferred stock be expected to advance in price?

There is no prospect of a dividend being declared on Hamilton Bridge preferred this year. In each of the past 4 years, the company has reported a deficit, and while operations showed a definite improvement in 1935, it is improbable that sufficient profit will be made in the current year to warrant the declaration of a dividend. As a result of deficits incurred in recent years and capital expenditures made on the company's western plant, working capital has declined steadily so that at the end of 1935 it amounted to only $269,195. Before dividends can be expected on the preferred stock it will be necessary for the company to build up working capital.

While there has already been some recovery in Hamilton Bridge preferred shares, there is still ample scope for further appreciation, since the shares are selling at about $45. It is possible, however, that any improvement in the company's position that may be expected this year has already been discounted. There is little prospect of recovery in the company's earnings to their former level in the immediate future. Such recovery would depend upon resumption of capital expenditure by the railways on such items as bridges, and it does not seem probable the railways will undertake expenditures of this nature in the near future. However, recovery in industrial business may be sufficient to take the company out of the red.

The company's management is regarded as alert and responsible.

Ford of Canada

Will you please comment on the prospects of Ford Motor Co. of Canada? The stock seems rather low at present, and I am wondering why.

The reason for decline in the market valuation of Ford Co. of Canada stock is that Ford sales in Eastern Canada declined in the first quarter of 1936 as compared with the same quarter of 1935, while other cars increased about 17%. The reason for this, of course, is that in 1935 Ford had a greater volume of sales than in any year since 1929. It showed an increase of 65% over the sales in 1934. The company had, therefore, got the jump on other companies for the time being. The situation in 1936 is that other companies have been strenuously trying to catch up. Sales of one of them in Canada have surpassed Ford sales so far. However, the president stated at the 1936 annual meeting that prospective business of overseas subsidiary companies was promising and that the volume from this source would continue to be an important factor in 1936.

Net profit in 1935 was $1.17 a share on the common stock, and $1.13 a share in 1934.

For a long-term investment, Ford still seems a good stock because the company is expanding continuously. During the past 2 years its foundry, power house and assembly, and distributing facilities of subsidiaries have been greatly improved. A new plant will be completed in September in New Zealand.

The reduction of protection on motor vehicles by about 5% by the Canada-United States trade agreement is an adverse factor, but it apparently will be a minor one. Actually, the company's Canadian business is of less importance than generally recognized. Even in the big year of 1935 there was a net operating loss of $403,719 on Canadian operations. Income from its strong investment portfolio and its profitable export sales, however, enabled the company to report a net profit of $1.9 million.

Bond Prices

Is there a possibility of inflation in Canada in the near future? If so, would industrial bonds be affected? I am a small investor with no money to lose. I have been told that my bonds should be sold in the near future since inflation will cause a sharp drop in price of same.

There is without doubt an inflationary trend in the credit structure in the United States, which to some degree affects Canada. In fact, the extension of credit is largely responsible for the sensational rise of government bond prices. This is one stage of a credit expansion which is inflationary. As for outright monetary inflation, there is little or no possibility of this developing.

If the inflationary trend extends further to commodity prices, and causes a rise in the cost of living, eventually there may be some inclination for bond prices to weaken slightly. A sensational collapse in bond prices, however, is not foreseen by leading authorities, although many investors are being advised to liquidate part of their high-grade bonds at present. One of the chief reasons for this, of course, is the substantial profit on the higher quality securities that is now available to the holder.

The fact is that the first stage in credit expansion has resulted in considerably higher prices for select government and corporation bonds than might otherwise have been the case. While prices may remain rather high for some time, there does not seem to be much room for a further rise, except in possible cases of bonds that are still depreciated.

Dosco

I would like your advice on Dominion Steel & Coal income bonds. I understand this company is paying at the rate of 3½% this year. Do you consider that the company's earnings are apt to increase so as to make this a safe and profitable investment?

Dominion Steel & Coal income bonds are looked upon with some favor, though it is obvious from the low selling price that there is still speculative risk attached to the security. Over a period of the last 3 years, capital of the company has been dewatered and the fixed charges put on a basis more in line with the company's earning power. Operations of Dosco in the last 2 years have shown an improvement, though business has been taken at a price which does not permit of very much profit. However, the outlook appears promising and with a revival in the heavy industries, Dosco should be able to earn its bond interest by a comfortable margin.

International Utilities

Have you the price range of International Utilities class A and B shares in 1929? I would also like to know the dividend record of these shares. What are the prospects of something being earned on the class A shares in the near future?

International Utilities class A shares ranged from $51 to $28½, and the B stock from $22⅞ to $3 a share in 1929. Dividends were maintained at $3.50 a share on the A stock up to 1931, but no dividends have been paid on the class B shares. Earnings and working capital have recovered, so that dividends have been increased on the prior preferred shares, but arrears are accumulating on ordinary preferred and on class A shares. The possibility of earnings on the class A shares is not very clear at present.

Maclaren-Quebec

I am considering the purchase of a Maclaren-Quebec Power Co. 5½% bond. Do you consider these bonds a safe investment? Are they in any way connected with the Ontario Hydro-Electric Commission cancellation of power contracts?

Maclaren-Quebec Power 5½% are very much connected with the Ontario Hydro contract repudiation, this being one of the companies whose contract was cancelled.

Maclaren-Quebec Power Co. is a subsidiary of Maclaren Power & Paper Co., and the income accounts are consolidated under the parent company's name. For the year ended Nov. 30, 1935, earnings from operation of $1,240,000 were barely sufficient to cover a charge of $253,000 for depreciation and depletion, and $984,000 bond and other interest, which consisted chiefly of the interest on the Maclaren-Quebec Power Co. bonds.

Since that time, the Ontario Hydro's contract with the company has been cancelled, and a new contract drawn. The new contract will provide the company with revenue of $500,000 annually, compared with the revenue obtained in the year ended Nov. 30, 1935, of about $600,000. This reduction of approximately $100,000 in annual revenue is rather serious. However, the company also sells energy to the James Maclaren Co., newsprint manufacturers, and to associated lumber firms. As a result of the recent slight rise in the price of newsprint, James Maclaren Co. may do better, and as its revenue is included in the total of Maclaren Power & Paper Co., this may assist in paying charges on the power company's bonds. Also, the power company itself may be able to sell some additional power to James Maclaren Co., and there is talk of some increase in industrial development in the neighborhood of Buckingham, Que., where the company is located.

Under the present Hydro contract it appears that the Maclaren-Quebec Power Co. may be able to cover its interest on the 5½% bonds by a very slim margin, possibly without adequate allowance for depreciation. There has, as yet, been no indication that the interest will not be paid. However, until the company's revenue improves, either by additional sales to Hydro, or to other power consumers, the bonds could hardly be termed "safe."

Federal Grain

I own some 6½% preferred stock of Federal Grain Ltd. and am wondering whether there are any prospects of dividends being resumed in the near future.

Dividends on the 6½% cumulative preferred stock of Federal Grain Ltd. were paid regularly Nov. 1, 1929, to Feb. 1, 1931, and none since. The arrears to the end of 1935 were nearly $31 a share. Early payment seems unlikely as the company only earned 24 cents a share in 1933, 36 cents a share in 1934 and 47 cents a share in 1935. The company enjoys a strong working capital position so that when earnings recover dividends can be immediately resumed.

Canada Steamships

Upon the recommendation of a broker I purchased $5,000 of 6% first mortgage bonds of Canada Steamship Lines. For these I paid $58.50 flat, unpaid interest coupons from Oct. 1, 1932, being attached. The broker expects these bonds to advance within a very short time. What is your opinion?

We do not see how any material advance from your price of $58.50 can be expected very soon. As you perhaps know, the Bondholders Protective Committee, in proposing a general plan of reorganization in April of this year, recommended that the arrears of interest on the first and general mortgage 6% bonds be cancelled and that the principal amount of $17,548,000 of such bonds be replaced by new bonds and stock on the basis of $600 principal amount of new first and general mortgage 5% bonds, 8 new 5% convertible preference shares and 10 new common shares for each $1,000 par value of 6% first and general mortgage bonds. If this plan were to be adopted, the face value of your present $1,000 bond would be $600. In addition, of course, you would have 8 preference shares and 10 common shares, but on the basis of the company's earnings in recent years these would not have a great deal of value at present. As yet, the proposed plan of reorganization has not been approved by directors, and it is not known when the proposal will be submitted to bondholders.

As you no doubt know, Canada Steamship bonds have appreciated from $40 since the first of the year. This reflects the improvement in the company's working capital position, and also the prospect for better business in the future. Last year, the company's earnings declined about $500,000, and for the current year it is difficult to determine what the prospects are. Early in the year, grain traffic handled by the company was highly satisfactory compared with a year ago, but since that time offerings have been light and the volume of grain moved to date has been less than in 1935. While it is possible that increased volume will develop later in the year, one must keep in mind that the crop in western Canada this year is small. In addition, there has been some difficulty in regard to freight rates. Early in the year the steamship companies had a working agreement for a uniform rate of 6 cents a bushel from the head of the Great Lakes to St. Lawrence River ports. The agreement, however, was broken in July and the rate now stands at 3½ cents a bushel. Thus the prospects for improved earnings are not very bright.

Dominion Tar

I am wondering whether there is any immediate prospect of Dominion Tar & Chemical Co. resuming dividends on its preferred stock. I understand the company's position has improved recently.

Dominion Tar & Chemical Co. paid dividends regularly on its 6½% preferred stock from May 1, 1929, to May 1, 1932. None has been paid since. During the past 2 years the situation has improved rapidly for this company. While there were no earnings on preferred stock in 1933 and 1934, profits in 1935 amounted to $4.37 a share. During the current year there has been improvement in the company's export business and it is reported the full preferred dividend may be earned in 1936. If and when earnings are sufficient to meet dividend requirements some action should be taken by the company with regard to preferred dividends, especially since it enjoys a strong working capital position. Of considerable importance to preferred shareholders would be refinancing of the company's 6% bonds at a lower rate of interest. It is possible, of course, that before dividends are resumed some plan may be presented for capitalization of preferred dividend arrears.

STOCKS LISTED AND UNLISTED BONDS

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Gatineau Net Starts Decline

Effect of Hydro Action Seen; Surplus After All Charges

From Our Own Correspondent

MONTREAL. — Gatineau Power Co.'s consolidated income statement for the second quarter of 1936 shows an income of $2,035,493, compared with $2,351,126 in the second quarter of 1935. The drop in revenue reflects restriction of income from sales of power to Ontario Hydro under terms of the new contract. For the second quarter of 1936 the balance added to surplus after all charges was $272,819 compared with $578,697 in the second quarter of 1935.

Consolidated returns of Gatineau Power for the 12 months ended June 30, 1936, show a gross revenue of $87 millions, against $9.2 millions in the preceding year. Net revenue before interest, depreciation, etc., was $7.3 millions compared with $8 millions. Balance to surplus in the 12 months ended June 30 last was $1.4 millions. This contrasts with $2.1 millions in the previous 12 months period.

Comparative Statements of Consolidated Earnings

Quarter Ended June 30	1936 $	1935 $
Gross revenue	2,035,493	2,351,126
Net revenue	1,724,838	2,057,982
Int. on bonds & liens	864,238	870,338
Balance	860,600	1,187,644
Int. on debentures	252,689	250,817
Other int.	187,805	183,997
Depreciation	147,287	164,133
Balance	272,819	578,697
12 Months Ended June 30		
Gross revenue	8,706,830	9,237,788
Net revenue	7,343,575	8,031,831
Int. on bonds & liens	3,467,031	3,491,782
Balance	3,876,544	4,540,049
Int. on debentures	1,025,574	1,055,533
Other charges	787,009	728,500
Depreciation	620,431	646,854
Balance	1,443,530	2,109,162

Phillips Electrical Works Starts Work on Two Units

From Our Own Correspondent

MONTREAL.—Plans and specifications have been drawn up by the Phillips Electrical Works, Brockville, for construction of 2 additional buildings. Work will be started at an early date and it is anticipated both structures will be completed and ready for occupancy by the beginning of November. The new buildings will involve an expenditure of approximately $200,000.

Boiler-room Boys Campaign in East

From Our Own Correspondent

MONTREAL.—High pressure stock selling by telephone has invaded the Maritimes and the Halifax Board of Trade has issued an official warning to its members. In its official publication "The Commercial News," the Board says:

"We have been asked to sound a note of warning against high pressure stock salesmen with headquarters in Montreal and Toronto, who, by means of long distance telephones, etc., have been contacting persons throughout the province. According to information issued, the salesman apparently picks out persons in rural districts, urging the purchase of 'certain questionable mining and oil stocks' on a speculative basis, promising large returns. There are established firms in Halifax in a position to give information and secure any stocks required and it is recommended that all dealings in such matters be confined to local houses and salesmen."

Iron, Steel Order Gives Work to 800

They'll Each Secure 4 Months Employment at Trenton, N.S.

SYDNEY, N.S. — Eight hundred men will be given 4 months employment by the Eastern Car Company, of Trenton, N.S.

The official statement says: "The liquidators-receivers of the Nova Scotia Steel and Coal Company, Ltd. have just arranged on behalf of the Eastern Car Company Ltd. a substantial order for standard freight cars from the Dominion Steel and Coal Corporation Ltd. The contract involves 200 50-ton hopper cars for Dominion Coal Company Ltd., 25, 50-ton hopper cars; 25 special coke cars and 15 50-ton flat cars for the Dominion Iron and Steel Company, in all, 265 cars."

The 200 hopper cars will not be needed until May, 1937, but in view of the serious unemployment situation at the Trenton, N.S., plants, arrangements have been made by the liquidators-receivers to build these cars during the latter part of this year, although payments for the entire lot will not be made until next May.

Beauharnois Names 'Elders'

Committee of 5 Will Look After Interests of Collateral Bondholders

From Our Own Correspondent

MONTREAL.—Holders of the 5% collateral trust bonds of Beauharnois Power Corp. have elected a committee of 5 members for the purpose of investigating the condition of the company and consulting with the trustee and corporation with a view to taking whatever action is considered necessary in the interests of the bondholders.

Following are members of the committee: J. L. Ralston, K.C.; Guy Todd, P. du Tremblay, Severe Godin, Jr., and E. G. Long, K.C.

No Adverse Vote

The affirmative vote was just over $15 millions, constituting all the bonds represented in person or by proxy at the meeting. There was consequently no adverse vote cast against the motion. Total bonds outstanding are $36 millions.

While the meeting did not have the majority of the outstanding bonds, it constituted a quorum under the terms of the trustee which provided that after 2 adjournments the third meeting constituted a quorum regardless of the proportion of bonds represented in relation to total outstanding.

Montreal Power Proposal Expires

Last Minute Conversion May Bring Minimum Deposit of 80%

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consolidated's offer to exchange its 3½% first mortgage and collateral trust bonds for the 5½% first mortgage bonds of Beauharnois Light, Heat and Power Co. expired August 28.

To make the offer operative, a deposit of 80% of the Beauharnois bonds, other than those held by Montreal Power, was stipulated. The amount involved is in the neighborhood of $22 millions, of which $18 millions must be deposited to make the offer binding on Montreal Power.

At the beginning of the week the amount of bonds deposited was still somewhat under the necessary amount.

Holders of Beauharnois bonds making the exchange will receive the half year interest on the Montreal Power bonds for the period ended June 30. Bonds not deposited on the closing date will be converted into income bonds, in other words, interest will be payable on the bonds only to the extent of the net income available for the purpose during such interest period.

According to Winnipeg Board of Trade reports, retail store sales in Winnipeg exceed $136 millions a year.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

NORANDA

Our analysis of Noranda Mines, Limited, issued periodically since 1926, has been revised to include recent information on the Company. Copies available on request.

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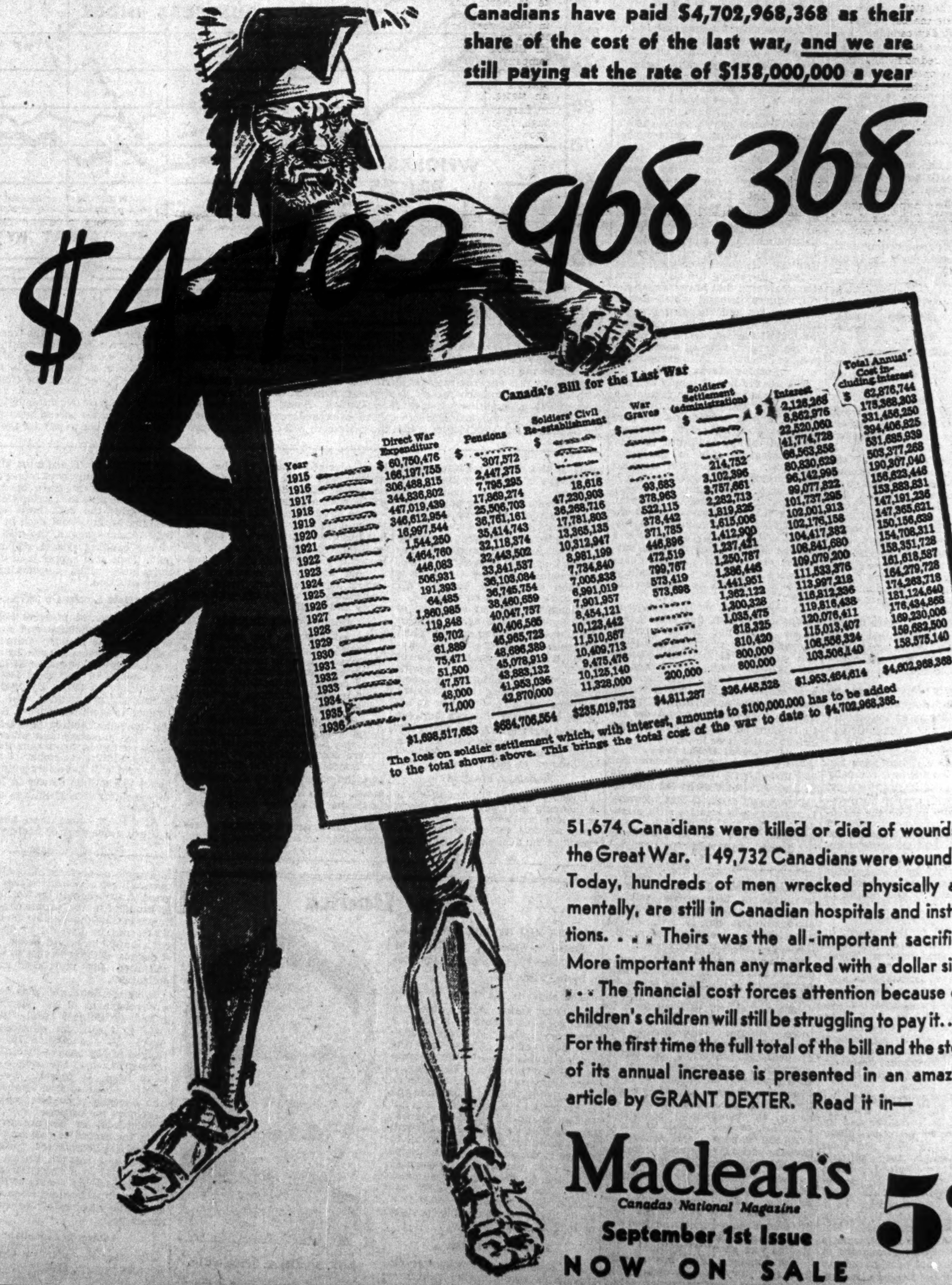
Canadians have paid $4,702,968,368 as their share of the cost of the last war, and we are still paying at the rate of $158,000,000 a year



Canada's Bill for the Last War

Year	Direct War Expenditure	Pensions	Soldiers' Civil Re-establishment	War Graves	Soldiers' Settlement (administration)	Interest	Total Annual Cost including interest
1915	$ 60,750,476	$	$	$	$	$ 2,126,268	$ 62,876,744
1916	166,197,755	307,572				8,862,976	175,368,303
1917	306,488,815	2,447,375				22,520,060	331,456,250
1918	344,836,802	7,795,295				41,774,728	394,406,825
1919	447,019,439	17,869,274	18,616		214,752	66,563,858	531,685,939
1920	346,612,954	25,506,703	47,230,903	93,683	3,102,396	80,830,629	503,377,268
1921	16,997,544	36,761,161	36,268,716	378,963	3,757,661	96,142,995	190,307,040
1922	1,544,250	35,414,743	17,781,803	522,115	2,282,713	99,077,822	156,623,446
1923	4,464,760	32,118,374	13,365,135	378,442	1,819,825	101,737,295	153,883,831
1924	446,083	32,443,502	10,312,947	371,785	1,615,006	102,001,913	147,191,236
1925	506,931	33,841,537	8,981,199	446,896	1,412,900	102,176,158	147,365,621
1926	191,393	36,103,084	7,734,840	472,519	1,237,421	104,417,382	150,156,639
1927	64,485	36,745,754	7,005,838	799,767	1,250,787	108,841,680	154,708,311
1928	1,860,985	38,460,659	6,991,019	573,419	1,386,446	109,079,200	158,351,728
1929	119,848	40,047,757	7,901,957	573,698	1,441,951	111,533,376	161,618,587
1930	59,702	40,406,565	8,454,121		1,362,122	113,997,218	164,279,728
1931	61,889	45,965,723	10,123,442		1,300,328	116,812,336	174,263,718
1932	75,471	48,686,389	11,510,867		1,035,475	119,816,438	181,124,640
1933	51,500	45,078,919	10,409,713		818,325	120,076,411	176,434,868
1934	47,571	43,883,132	9,475,476		810,420	115,013,407	169,230,006
1935	48,000	41,953,036	10,125,140	200,000	800,000	108,556,324	159,682,500
1936	71,000	42,870,000	11,328,000		800,000	103,506,140	158,575,140
	$1,698,517,653	$684,706,554	$235,019,732	$4,811,287	$26,448,528	$1,953,464,614	$4,602,968,368

The loss on soldier settlement which, with interest, amounts to $100,000,000 has to be added to the total shown above. This brings the total cost of the war to date to $4,702,968,368.

51,674 Canadians were killed or died of wounds in the Great War. 149,732 Canadians were wounded. Today, hundreds of men wrecked physically and mentally, are still in Canadian hospitals and institutions. . . . Theirs was the all-important sacrifice. More important than any marked with a dollar sign. . . . The financial cost forces attention because our children's children will still be struggling to pay it. . . . . For the first time the full total of the bill and the story of its annual increase is presented in an amazing article by GRANT DEXTER. Read it in—

Maclean's
Canada's National Magazine
September 1st Issue
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5c

Bank Chat

Cheap Money

JUST what effect is cheap money playing in recovery? Low interest rates have been the avowed aim of a number of governments with the dual purpose of effecting low borrowing costs for themselves and promoting better business conditions. In Canada, of course, the first of these purposes has been achieved—borrowing rates are at the lowest point in history. In regard to the second, however, it would appear that the influence in promoting recovery has been small. Despite the low rates, commercial borrowings have continued to decline. Apparently, business improvement has been predicated largely on internal financing, on the accumulated resources of larger firms, and from sources other than the loan market.

Even in England, however, where recovery has been accompanied by some increase in commercial borrowings, the part played by low interest rates is apt to be overemphasized. Barclay's Bank monthly review points out that if carried to extreme lengths cheap money may tend to injure the smooth working of the financial organization on which business generally is so dependent.

"The ideal position, so far as trade and industry are concerned," it states, "is that there should be no stringency likely to hinder the day-to-day commercial business of the country or sound industrial development. In the long run, the latter will depend on the ability and willingness of investors to save, and one of the factors most likely to encourage the accumulation of capital is a fair return on investments having regard to the prevailing circumstances and the risks involved."

* * *

Scrip For Scrip

PROMPTED by the fear of being called upon to pay out good legal currency in change for scrip on purchases of less than one dollar, Alberta retailers have fallen back on a "scrip for scrip" system. Obviously, if Alberta scrip carriers could unload the certificates on retailers for 5 and 10 cent purchases, and receive change in Canadian coins, the storekeeper would be left holding the bag. And when stamp pasting day came along each week, quite a substantial outlay might be required to fill in the little blank squares on the back of what one of Mr. Aberhart's critics has described as "Bible Bill's Bogus Bills."

The practice which has evolved is that of offering in change store certificates entitling the bearer to goods up to the value mentioned. It will probably have the effect of discouraging any tendency to unload at the retailer's expense, and will at least ensure that the full face value of the scrip will be exchanged in the one store.

* * *

Not a Note

WHEN is a promissory note not a promissory note?

When it is seemingly an iron clad document binding its maker to pay collection costs if the note is dishonored and payment defaulted.

Even an astute bank executive can be badly fooled by an apparent guarantee against loss from a promissory note. Not long ago such a note was issued in the usual phraseology . . . "I promise to pay, etc. . . . and all costs and a reasonable attorney's fee if placed in the hands of an attorney for collection."

It sounds reasonable. But it isn't.

For when the note later formed the centre of a lawsuit, and the creditor attempted to get a judgment in his favor, he found that the "promise" plus a seeming indemnity against loss for collection of the debt, was neither.

The "note," a Canadian court ruled, was not a note within the meaning of The Bills of Exchange Act.

The reason?

The payment was not "a sum certain in money."

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Trust, Loan Deposits Up 6.6 Per Cent

Institutions Registered in Ontario Show Gain

OVER $18 MILLIONS

Fund on deposit with leading Canadian trust and loan companies were 6.6 higher at June 30 than at the same period last year, according to figures compiled by the Ontario Department of Insurance.

Embracing the bulk of trust and loan institutions operating in Canada, the total figure is $80.7 millions compared with $75.7 millions at the end of the second quarter of 1935.

Compared with first quarter returns, the total funds on deposit are slightly lower than Mar. 31. There is an increase of nearly 2% as compared with the amounts reported on deposit at the year-end (Dec. 31, 1935).

Comparison of savings deposits in Canadian chartered banks shows that as at June 30 the banks reported an increase in savings compared with a year ago of 5.5%. The corresponding figure for trust and loan companies is 6.6%. Bank deposits are currently 7.4% lower than in Mar. 1936, and 4.2% below the Dec. 1935 figure.

Comparative figures for trust and loan companies follow:

Trust Companies

	June 30, 1936 $	Dec. 31, 1935 $	June 30, 1935 $
Nat'l Trust..	18,223,601	18,071,802	16,902,368
Tor. General	6,324,043	6,328,932	6,216,870
Waterloo Tr.	5,588,630	5,091,224	4,808,030
Canada Trust	3,257,260	3,128,060	3,288,691
Chart. Trust	2,731,739	2,563,887	2,539,553
Trusts & Gr.	2,695,358	2,771,385	2,442,611
Capital Tr..	2,236,268	2,038,721	1,837,697
British Mtge.	1,973,839	1,915,474	1,888,758
Victoria Tr..	1,489,353	1,417,295	1,476,074
Indust. Mtge.	1,009,026	1,026,726	1,007,090
Grey & Bruce	871,819	823,186	676,852
Premier Trust	786,880	788,182	619,905
Brockville Tr.	562,910	530,020	503,796
Sterling Tr..	388,450	331,436	295,149
Fidelity Tr..	155,726	131,994	153,414
Guaranty Tr.	118,866	92,606	98,331
Community T.	90,415	81,396	85,806
Loan Companies			
Can. Perm..	16,694,128	16,588,450	15,675,182
Huron & Erie	8,915,569	9,231,464	9,158,918
Ontario Loan	2,745,331	2,574,033	2,219,334
Landed Bkg.	1,013,066	1,072,121	1,078,704
G'lph & Ont.	1,035,324	966,582	1,002,672
Lambton L'n	952,666	974,343	922,213
Midland L'n	363,082	346,285	334,539
Security L'n	374,347	348,899	316,138
Toronto Mtge.	131,321	136,864	144,112

Lost Money

Uncashed Cheques Are Reported by Royal Bank

Continuing the list of uncashed certified cheques, drafts, etc., the following balances with the Royal Bank remain unclaimed:

D. W. Sawyer, of Haileybury, issued a certified cheque for $14 on March 31, 1926. The money is payable to the **Department of Lands and Forests** and is being held at the Haileybury branch of the bank.

The Eclipse Bicycle Co., Hamilton, Ont., issued a money order or cheque for $48 on June 5, 1895. The money is held at the head office of the bank at Hamilton.

The Empire House Furniture Co., 155 Main St. West, Hamilton, issued a cheque for $281.64 on June 18, 1917. The cheque has not been cashed and the money is at the head office branch at Hamilton.

Cadillac Motors issued a cheque for $19.95 on Dec. 21, 1925. This money is at the head office of the bank at Hamilton.

G. M. Parson, of Hamilton, issued a certified cheque to the Wentworth Dairy on July 5, 1926, for $12.59. The payee has never received the money which is being held at the head office branch, Hamilton.

A. Cope and Son, 29 Albert St., Hamilton, issued two cheques, one for $29.40 on Sept. 4, 1929, and the other for $18.70 on Nov. 18, 1929. Neither has been cashed and the money is at the head office of the bank at Hamilton.

Walter's Ladies Wear, 179 King St. East, Hamilton, issued a cheque for $77.42 on June 15, 1930. This money is at the head office branch at Hamilton.

Canadian Scale and Steel Co. issued a cheque for $10 on May 17, 1920. The money is held at the Barton and Ottawa Sts. branch, Hamilton.

Staub and Carter, 165 Emerald St., Hamilton, issued a cheque for $12.89 on May 26, 1927. The money is at the Terminal branch, Hamilton.

Drake and Lawlor, Clyde Block, Hamilton, issued a cheque for $100 Feb. 8, 1921. The money is at the Terminal branch.

B. McReith, of Hamilton, issued a certified cheque for $10 on April 3, 1929. It is payable to the **Army and Navy Veterans** and the money is at the Terminal branch.

Canadian Merchandisers, 17 Market St. East, issued a cheque for $15.70 on Aug. 6, 1929. The money is at the Terminal branch.

William Knetchtel and Son, Hanover, Ont., issued a cheque for $14.81 on Dec. 14, 1915. The money is at the Hanover branch.

J. Aitken, of Hanover, issued a certified cheque on Oct. 18, 1927, in favor of the Grey Iron Works. The cheque has never been cashed and the money is at the Hanover branch.

The Royal Bank at Harriston, Ont., issued a cheque or a draft payable to the Bank of Commerce at Yonge and Queen Sts., Toronto, on Dec. 18, 1917. The money never was paid and is at the Harriston branch.

Fashion Tailors Co., 204 St. Catherine St. East, Montreal, issued a cheque for $16.64 Aug. 4, 1924. The money is in the St. Lawrence and St. Catherine Sts. branch.

Millers Cloak and Dress Co., Wilder Bldg., Bleury St., Montreal, issued a cheque for $17.66 Sept. 22, 1924. The cheque was never cashed and the money is at the St. Lawrence and St. Catherine Sts. branch.

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Travellers Cheques
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Carry them on your next trip and be assured of travel comfort.
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Great-West Life Co. Forty-five Years Old

Began Business in Two Rooms of Winnipeg's City Hall

G. W. ALLAN, K.C.
President
Great-West Life Assurance Co.

C. C. FERGUSON
Gen. Manager
Great-West Life Assurance Co.

On Aug. 28, the Great-West Life Assurance Co. celebrated its 45th birthday.

It was on that date in 1891 that the company came into existence through special federal incorporation. Eight months later, the company began business in 2 rooms in the Winnipeg city hall at a rental of $20 a month.

Founder and managing director was J. H. Brook and associated with him was A. Jardine. The company's first president was Alexander Macdonald—an office which he held until his retirement in 1926.

In August, 1892, the company's first policy was written on the life of R. T. Riley, who still remains a prominent figure in the company and is vice-president. The close of the first month's business on August 18 showed a total of 37 applications for $97,500. By November, the company had extended its operations opening a branch office in Ontario.

First Death Claim

The company's first death claim was not filed until July, 1893. The policy in question was for $1,000 held by a policyholder who came to his death as a result of being run into by a bicycle. It is said to be a matter of record that the proceeds of this death claim saved the policyholder's survivors from destitution.

By the end of 1893, the company had 80 representatives in the field.

In 1894, the first policy loan was made. This was for $45 to a gentleman in New Westminster, B.C.

Dominion-wide in 1905

"Following the establishment of an agency in Ontario, development of the field organization was rapid," says the company's agency bulletin. "A branch in the Maritimes was opened in 1893. Quebec province agency was formed in 1896; 1902 saw the company as far west as Calgary and, by 1903, it was represented by a branch office on the Pacific Coast. In 1905, it had become Dominion-wide, with representatives from the Pacific to the Atlantic, for in that year the Halifax agency was opened.

"Two years later a new chapter in the company's history was written, when it became international with the institution of a branch in the state of North Dakota. Other agencies were opened in the United States in 1920, when branch offices in Minnesota and Michigan were established. Illinois became a branch of the company in 1923 and, in 1931, a Washington branch rounded out the company's representation in the American states.

Larger Quarters

"Through these years the company's growth and expansion in the field necessarily meant considerable expansion of its head office facilities to handle the volume of business being written by the field force. From its small premises in the city hall building, the company soon moved to larger quarters and, in 1911, it occupied for the first time its present premises—at first, a 4-story building on the present site. That same year marked the first company convention which was held in Winnipeg to celebrate the opening of the new building. A few of the names appearing in the proceedings are those who are still with the company—G. P. Carreau, J. E. Bergeron, Miss J. H. Sparrow, F. F. Smith, J. S. Smith, G. Wetmore Merritt, W. R. C. Hewat, R. H. Seeton, A. R. Moore and J. O. Hyndman.

$100 Million Mark

"Three years later the company had reached the $100 million mark of business in force, the first Canadian company to reach that goal. 1914 was also memorable as the year in which the Hundred Thousand Club was formed.

"In 1923, it was necessary to enlarge the head office building to 8 stories to accommodate the ever-growing staff. The world war and the influenza epidemic which followed it had arrested the company's growth but slightly and by 1927 the company had passed the half-billion mark of insurance in force.

Present-day Facts

"Today, with over $570 millions in force, the Great-West Life is providing security and protection to almost a million persons in Canada and the United States.

"Today, its field force numbers approximately 1,300, while its head office and branch staff totals approximately 700.

"Today, it operates 35 branch offices and many more district offices and its agents are dotted throughout the country from the Atlantic to the Pacific on both sides of the international boundary.

"Today, it issues an average of 60 policies each business day.

"In its 45 years the company has paid to policyholders and beneficiaries almost $170,000,000."

Bank of Canada Weekly Statement

Reserve ratio of the Bank of Canada advanced to 65.21% in the week ended Aug. 19. The advance is attributable to a substantial increase in United States reserve, coupled with a net decrease in deposits. Chartered bank balances dropped almost $5 millions, more than offsetting a gain in government accounts.

Balance Sheet

	Aug. 19 $	Aug. 12 $
Liabilities		
Capital paid-up ...	5,000,000	5,000,000
Notes in cir.	103,667,480	102,140,693
Rest fund	173,092	173,092
Dep.: Dominion ...	23,325,567	20,391,760
Banks	180,704,438	185,640,644
Other	625,367	801,970
Total deposits	204,655,372	206,834,374
All other liabs.	4,594,940	2,340,716
Total liabs.	318,090,884	316,468,875
Assets		
Reserve: Gold	179,446,785	179,431,389
Silver bullion ...	1,822,463	1,822,463
Res. in sterling ..	127,562	589,833
Res. in U. S.	19,654,767	14,872,999
Res. elsewhere ..	3,104	4,638
Total reserve	201,054,681	196,721,322
Subsidiary coin ...	212,372	217,922
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. short.	30,664,198	31,560,569
Other Dom. govt.	80,141,877	80,615,117
Total invest.	110,806,075	112,175,686
Premises	253,269	213,064
All other assets ...	2,764,487	4,160,860
Total assets	318,090,884	316,468,875
Reserve ratio	65.21%	[illegible]

Life Insurance Sales Higher

7 Months Total Reaches $220 Millions For 1936

Sales of new ordinary life insurance in Canada and Newfoundland of $32.6 millions in July brought the total for the first 7 months of the year to $220 millions, according to figures compiled by the Sales Research Bureau. The returns are based on figures from 19 companies having 90% of the business in force and are exclusive of group insurance and of annuities and pension bonds.

Cumulative sales for the first 7 months of the year are higher by 3% compared with the same period last year.

Quebec Sales Lower

Analysis of July totals shows a gain of 1.3% with every province showing improvement except Quebec. The most important percentage gain was in Prince Edward Island where sales were 142% higher than last year.

Comparative figures follow:

Ordinary Life Sales

(a) Sales by Months, 1933-1936: ($000 omitted)

	1933	1934	1935	1936
Jan.	28,928	27,718	32,988	34,221
Feb.	28,095	29,036	28,716	30,474
March ...	31,768	32,584	31,416	31,664
April	30,501	33,296	28,900	30,147
May	31,916	33,134	27,423	28,977
June	34,114	32,277	32,112	32,277
July	32,165	33,951	32,155	32,573
Aug.	29,749	26,659	26,854	.....
Sept.	27,443	26,123	26,696	.....
Oct.	33,435	31,342	30,416	.....
Nov.	36,061	35,863	35,158	.....
Dec.	36,967	37,691	36,550	.....

(b) Sales by Areas:

	July 1936	July 1935	June 1935
Alberta	1,388	1,362	1,179
British Columbia ..	2,575	2,266	2,239
Manitoba	1,852	1,710	1,844
New Brunswick ...	867	673	666
Nova Scotia	1,307	1,243	977
Ontario	13,714	13,385	14,559
Prince Edward Is..	177	73	119
Quebec	9,106	9,738	9,020
Saskatchewan	1,295	1,362	1,207
Newfoundland	292	323	302
	32,573	32,155	32,112

Weekly Bank Clearings

	Aug. 20 1936 $	Change year ago %	Aug. 13 1936 $
Halifax	2,136,987	+2.9	2,311,207
Saint John .	1,728,173	—7.4	1,213,984
Moncton	757,932	+18.8	692,598
Sherbrooke .	566,459	+3.4	550,673
Quebec	3,802,301	+7.2	3,651,119
Montreal ...	93,018,357	+6.3	86,356,106
Ottawa	13,608,576	—2.0	25,619,029
Kingston ...	528,340	+9.0	510,889
Peterborough	644,531	+19.1	626,077
Toronto	114,987,657	+26.0	105,330,601
Hamilton ...	4,150,160	+15.3	4,088,588
Kitchener ..	1,014,135	+13.0	987,559
Brantford ..	809,040	+20.4	870,751
London	2,757,319	+6.2	2,370,625
Chatham	484,399	+27.4	549,898
Windsor	2,370,539	+27.5	2,318,866
Sarnia	422,891	—10.9	488,393
Sudbury	998,560	+40.3	1,051,480
Fort William	823,600	+20.7	959,618
Winnipeg ...	55,046,437	—19.5	58,256,437
Brandon	336,310	+7.6	285,092
Regina	4,733,053	+54.4	2,927,707
Moose Jaw .	662,167	+24.0	507,050
Saskatoon ..	1,522,652	+11.8	1,256,454
Prince Albert	345,404	+8.0	311,968
Edmonton ..	3,736,665	+4.9	3,538,735
Calgary	4,954,509	—10.5	4,565,367
Medicine Hat	263,299	+4.5	231,717
Lethbridge .	431,562	+4.0	424,728
N. W'minster	686,258	+32.3	744,231
Vancouver ..	17,689,469	+21.1	17,250,036
Victoria	1,667,904	+14.1	1,596,984

Staff Changes

Canadian Bank of Commerce announces the following staff changes:

W. W. ORR, formerly assistant inspector at Calgary, appointed manager at Kamloops, B.C.

W. SMITH, formerly manager at Kamloops to be manager at New Westminster.

FIDELITY
Insurance Company
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TORONTO

Fire, Casualty Big Problems At Conference

Quebec Meeting is 14th For Superintendents of Provinces

POLICY PROBLEMS

By STAFF REPORTER

QUEBEC. — Insurance of classes other than life occupy the major share of the limelight at the 14th annual conference of the Association of Superintendents of Insurance of the Provinces of Canada, being held here this week.

Last year, a uniform Automobile Insurance Act was adopted by most provincial legislatures, due in large measure to recommendations of previous conferences. Only last month, a similar provision was enacted in respect to life insurance in all provinces except Quebec. That only one minor recommendation on automobile legislation was submitted to the superintendents this year is indicative of the fact that the provisions of the Act are meeting general acceptance.

The uniform life insurance laws marked the culmination of 5 years consideration at previous conferences. The legislation is now being tested in the light of actual experience. The committee points out in its report, however, that conditions are quite apt to change and that alterations may be required from time to time.

Fire Discussions

In the absence of any far reaching proposals in the automobile and life fields, interest centres largely in legislation affecting fire insurance. Occupying a prominent place on the agenda is the "misrepresentation" clause. This section of the Act, which has evoked so much discussion in past years reads:

"If any person applying for insurance falsely describes the property to the prejudice of the insurer, or misrepresents or fraudulently omits to communicate any circumstance which is material to be made known to the insurer in order to enable it to judge of the risk to be undertaken, the contract shall be void as to the property in respect of which the representation or omission is made."

Debate has been focussed mainly on the "fraudulent" provision, with insurers anxious to get around the necessity of proving fraud, and representatives of the insured equally anxious to have it retained. Two alternative wordings have been submitted to the conference by the committee, featuring a rather lengthy report on suggestions for revision.

Tobacco Fires

A further suggestion which has come up for comment is a proposal to cut down as much as possible claims from "tobacco" fires. Losses from fires from cigarettes and similar origin have skyrocketed in recent years and have become one of the serious problems facing fire insurers. Under the proposal which has been put forward, the insurer would not be liable for losses to clothing, furniture, etc., arising from use of tobacco in any form where the damage is caused by scorching, charring, singeing or blistering.

The Mutual Fire Underwriters' Association of Ontario has proposed that non-disclosure of other insurance on a property at a time when a policy is taken out automatically will void the new policy. This is the case now only in instances where fraud can be proved; otherwise the insured is entitled to not more than 60% of the loss.

Other matters arising from the report of the fire committee, submitted on the first day of the conference, include: The status of "excess" insurance and of fire covering under floaters and inland marine contracts; an amendment to allow cancellation of 10 days notice instead of 15; and another which would provide that definite reference shall be made to the amount of insurance permitted without notice.

Accident and Sickness

The report of the committee on accidental and sickness insurance, which was expected to be a highlight of the conference has been held up by the death of L. C. Evans, who represented the insurers at last year's conference. However, the question is slated for discussion, and an understanding will be arrived at in regard to future action. In this connection, the Saskatchewan Hospital Association has pointed out that where sickness and accident benefits are paid direct to the policyholder, the hospital quite often is left holding the bag. Legislation to overcome this situation has been recommended to the superintendents.

According to present plans, centralization of the distribution of annual statement blanks will be extended. First experiments were with one form only but the experience was so satisfactory that the same procedure will be followed in other instances. Centralized distribution in the last 2 years has been made from the Ontario department and has resulted in considerable savings to all participating provincial departments.

Householders' Policy

The report of the committee on definition and interpretation of underwriting powers is featured by recommendation for a standard "personal property floater" insurance policy, also known as a "householders comprehensive." This policy was approved by the committee "in principle" back in March. Approval was on the understanding, however, that such policies would not be issued until a standard form had been passed by the superintendents.

The committee also recommends that it be given more permanent status. An amendment which it proposes would provide for a committee to administer an agreement, entered into by companies writing 75% of the business other than life in a province, in respect to classes of business into which forms of policies issued shall be deemed to fall. Appeal could be made from the decision of this body to the insurance superintendent The committee further urges that Quebec, Nova Scotia and New Brunswick come in with the 6 provinces already under its jurisdiction.

Once more the committee on valuation of securities recommends that the practice of recent years, whereby the basis of valuation is that accepted by the National Convention of Insurance Commissioners in the United States, be continued.

All Canada Represented

In all, 8 committees have submitted reports to the conference. Five standing committees on life, fire and automobile legislation, valuation of securities and annual statement blanks, and 3 special committees, on credit and free insurance, accident and sickness insurance, and definition and interpretation of underwriting powers, have made their contribution to the deliberations. In attendance at the meet are representatives from every province in the Dominion and a number of interested authorities and company officials from the United States.

Mineral Wealth Doubles

Mineral wealth from Saskatchewan has doubled since 1929 and is now in excess of $12 millions annually.

A Modern Fireproof Hotel of 350 Rooms
Rates: $2.00, $2.50, $3.00
Double Rooms: $4.50, $5.00
MAIN DINING ROOM
Club Breakfasts 25c to 65c
Lunch 65c to 85c
Dinner $1.00 to $1.50
COFFEE SHOP
HOTEL LONDON, LONDON, ONT.
Manager: H. F. Struckett

Canada Life Has Gain in Sales

Substantial improvement in sales of new insurance for 1936 is reported by Canada Life Assurance Co. Sales are considerably ahead in both Canada and the United States, although slightly lower in Great Britain.

For Canada, new ordinary business paid for in the first 8 months of the year is ahead by 10%. This is exclusive of annuity sales. In the United States, ordinary business is from 15 to 16% ahead of the same period last year.

Group business in both Canada and the United States is also higher by $800,000 than in 1935—an increase of about 25%.

The company recently held a joint convention of leading producers at the Seigniory Club, Que. A feature of the meeting was formation of a new "Millionaires Club," comprising representatives who have $1 million or more of business in force.

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MAXIMUM COVERAGE AT MINIMUM COST
For fifty-two years this purely Western Company has successfully provided Western Canada with insurance at cost.
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The Ætna Life Insurance Company, writing Life, Group, and Accident insurance, has been a Canadian institution since 1850 . . .
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AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 £115,559,000
A. C. DAVIDSON, General Manager.
747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
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"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
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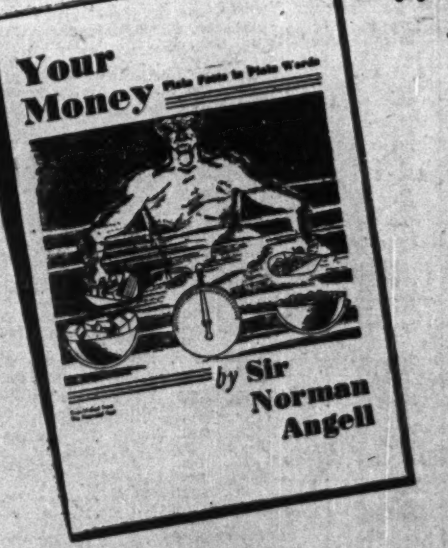

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING AUGUST 24

Range 1936 High	Low	Div R'te $	Aug22 Y'ld %		Sales	Last Aug. 17	Week end. Aug. 24 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	1345	1.50	1.90	1.60	1.60
13¾	6½	.	....	Do. pref. 6%	243	10½	11	9	10
14	6¾	.	...	Do. cert. dep.	....	(9¾ bid 10½ asked)			
4½	4½	.	...	Acadia Sugar	....	(4 bid — asked)			
21	14½	50c	2.4	Acme Glove	100	20	21	20	21
100	95	6.50	6.7	Do. pref.	....	(— bid 98 asked)			
10	7½	40+20c	..	Agnew Surp.	45	8	9	8¾	9
107	100	7	6.6	Do. pref.	....	(105½ bid — asked)			
6	2	.	...	Alta. Pac. Gr.	....	(2 bid 3 asked)			
39	22½	.	...	Do. pref.	5	22½	22½	22½	22½
3	2	.	...	Amal. Electric	....	(1½ bid 2 asked)			
23	14	.	...	Do. pref.	....	(15 bid 20 asked)			
40½	29¾	15c	...	Amer. Cyn. B.	....	(— bid 40 asked)			
55	51¾	3.50	6.4	Ang. C. Tel. pf.	1	54½	55	55	55
49	17½	.	...	Asbestos, v. t.	2762	38	49	38¾	48
[illegible]									

Government Bonds

Dominion of Canada Bonds
August 26, 1936

			Bid Aug. 26	Asked Aug. 26	Approx. Yield	Bid Aug. 19
†‡Dominion	3	1 Mar. 1937	102.25	102.70	...	102.25
‡Dominion	5½	1 Dec. 1937	106.00	106.50	.33	106.15
Dominion	2½	15 Oct. 1939	103.75	104.25	1.14	103.75
Dominion	4	15 Oct. 1939	108.35	108.85	1.19	108.35
Dominion	2	15 Nov. 1939	102.50	103.00	1.06	102.50
Dominion	1½	1 June 1940	101.00	101.50	1.10	100.65
Dominion	4½	1 Sept. 1940	111.00	111.50	1.54	111.25
Dominion	5	15 Nov. 1941	115.25	115.75	1.83	115.25
Dominion	3	15 Oct. 1942	106.25	106.75	1.84	106.25
Dominion	2½	1 June 1943	103.75	104.25	1.83	103.75
Dominion	5	15 Oct. 1943	116.25	116.75	2.44	116.25
Dominion	4½	15 Oct. 1944	114.25	114.75	2.49	114.40
aDominion	2½	15 Aug. '43-45	100.50	101.00	2.35▲	100.50
Dominion	4	15 Oct. '43-45	110.40	110.90	2.33▲	110.50
Dominion	4½	1 Feb. 1946	114.25	114.75	2.71	114.35
Dominion	3½	15 Oct. '44-49	106.25	106.75	2.57▲	106.25
Dominion	4	15 Oct. '47-52	109.50	110.00	2.97▲	109.75
Dominion	3	1 June '50-55	102.00	102.50	2.78▲	102.35
Dominion	4½	1 Nov. '46-56	112.50	113.00	3.04▲	112.75
Dominion	4½	1 Nov. '47-57	112.50	113.00	3.14▲	113.00
Dominion	4½	1 Nov. '48-58	113.25	113.75	3.16▲	113.35
Dominion	4½	1 Nov. '49-59	113.50	114.00	3.21▲	113.60
aDominion	3¼	15 Jan. '56-61	103.00	103.50	3.01▲	103.25
Dominion	3¼	1 June '56-66	102.75	103.25	3.03▲	103.30

Dominion Guaranteed Bonds

			Bid	Asked	Yield	Bid
*G. T. P. Ry.	3	1 Jan. 1962	101.50	102.50	2.88	101.75
Can. N. Ry.	3	1 May 1944	105.00	106.00	2.16	105.00
Can. N. Ry.	3	15 Dec. '45-50	101.25	102.25	2.72▲	101.50
Can. N. Ry.	3	15 Feb. '48-53	101.25	102.25	2.77▲	101.50
*Can. N. Ry.	4½	1 Sept. 1951	116.00	117.00	3.11	116.25
*Can. N. Ry.	4½	1 Feb. 1956	116.25	117.25	3.29	116.50
†Can. N. Ry.	4½	1 July 1957	115.00	116.00	3.42	115.00
*Can. N. Ry.	4¾	15 June 1955	118.50	119.50	3.35	118.50
Can. N. Ry.	5	1 Feb. 1954	119.00	120.00	3.47	119.00
*Can. N. Ry.	5	1 July 1969	118.00	119.00	2.86▲	118.25
[illegible]						

Provincial Government Bonds

[illegible]

Municipal Bonds

[illegible]

Corporation Bonds

[illegible]

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Mining Dividends

	Rate	Close Aug. 24	Yield %
Anglo-Huronian	20c	6.90	..
Beattie Gold	†5c	1.40	..
Bralorne	20c+10c	7.40	..
Buff. Ankerite	20c	8.05	2.5
Bulolo Gold	‡1.40	30.00	..
Cariboo	10c	1.95	5.1
Central Patricia	†4c	4.15	..
Coniagas	†12½c	3.15	..
Cons. Smelters	50c	55.25	..
Dome Mines	$2+$2	56.25	7.1
Falconbridge	30c	9.30	3.2
Hollinger	65c+20c	14.00	6.1*
Howey Gold	2c	.81½	..
Hudson Bay	50c	24.00	..
Island Mountain	†5c	1.28	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	60c	11.50	5.2
Int. Nickel, c.	$1.40	52.87	2.6
Kerr Lake	5c	.75	..
Kirk. Lake	‡3c	.64	..
Lake Shore	$4	57.00	7
Little L. Lac	20c	5.90	..
Macassa	15c	4.20	..
McIntyre	$2	41.65	4.8
McKenzie R. Lake	†3c	1.90	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	1.44	..
Nipissing	50c	2.50	..
Nor. Can. Mining	2c	.55	..
Noranda	‡$1.25	63.00	2
Pickle Crow	10c	6.80	..
Premier	12c+1c	3.15	4.1*
Pioneer, B.C.	80c	7.50	10.7
Reno	12c	1.23	9.7
San Antonio	7c	1.80	..
Sheep Creek	†2c	.81	..
Siscoe	20c	4.40	4.5
So. Amer. Gold	20c	4.60	..
Sylvanite	20c	3.19	6.2
Teck-Hughes	40c+5c	5.85	7.7*
Toburn	8c	1.95	..
Ventures	†2½c	2.17	..
Wright-Har.	40c+20c	8.00	7.5*

‡Interim. †Initial. *Yield includes bonus.

Unlisted Mines

August 25, 1936

[illegible]

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
August 25, 1936

	Bid	Asked
[illegible]		
Sec. Holding Units	23.50	26.00
United Corpns., A	22.75	24.00
Do., B	7.50	8.25
Power Issues:		
Calgary Power, pfd.	81.25	83.00
Can. Light & Power, com.	...	20.50
Can. West. Nat. Gas, pfd.	91.00	94.00
Do., com.	24.00	26.00
Great Lakes Pwr., pfd.	98.50	...
Inter. Util., 7.00 pfd.	88.00	...
Nor. Ont. Power, pfd.	102.25	103.50
Nova Scotia L. & P., pfd.	102.00	104.00
Do., com.	84.25	86.00

Winnipeg Stocks

(Transactions from Aug. 17 to Aug. 22)

	Sales	High for period	Low for period	Close Aug. 15
Bankfield	100	.70	.70	.70
Bailor Gold	1,000	.07	.07	.07
Cons. Goldfields	9,000	.49	.47	.49
Cryderman	77,500	.09	.08½	.09
City Dairy, pfd.	5	6.00	6.00	6.00
Call. Flin Flon	6,000	.20	.19	.19
Flin Flon	4,400	.33	.29	.29
Geneva	25	1.15	1.15	1.15
Gold Island	700	.37	.37	.37
Gold Lake	4,458	.39	.34	.34
Gurney Gold	3,300	.64	.58	.58
Home Invest.	4	20.00	20.00	20.00
Johnson Nip.	500	.07½	.07½	.07½
Island Lake	2,000	.06	.05½	.05
Kingfisher	9,500	.03	.02½	.03
Knee Lake	2,600	.06	.05	.06
Ore Grande	6,500	.20	.18	.20
McLaren Porc.	200	.38	.38	.38
Mosher L. Lac	1,000	.49	.49	.49
Optic	30	1.80	1.70	1.70
Pine Lake	7,050	.11	.09	.10
Packsack	5,400	.26	.25	.25½
Rice Lake	3,600	.06	.05	.06
Rice Lake Units	10	3.50	3.60	3.50
Sachiga River	1,495	45.00	24.00	40.00
Scattergood	300	.04	.04	.04
Wingold	4,000	.07	.06½	.06½
Wylie Dom.	1,800	.65	.57	.57
Wallace Lake	300	.04	.04	.04
Wpg. River Tin.	40,000	.02½	.02	.02
United Grain	16	11.50	11.50	11.50
Wings Ltd.	1,000	1.40	1.40	1.40

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	1	11
[illegible]		

Mining Stock Quotations

WEEK ENDED AUGUST 24, 1936

[illegible]

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE
(Transactions for Week to August 24)

[illegible]

Week in Wheat

World Buyers Wary Of Stocking Heavily

Optimistic Reports from Southern Hemisphere and Possibility of U. S. Corn Duty Cut Combine to Weaken Market

From Our Own Correspondent

WINNIPEG.—Optimistic reports from Australia and the Argentine, possibility of the United States lowering its corn duty and slowness of European buyers to make commitments have combined to weaken world wheat prices.

These are regarded as the major reasons for the recent decline rather than the more frequently mentioned Western Canada farm deliveries of several million bushels daily. The latter rush, in view of the earliness of the harvest and the fact that prices are still above the Government minimum, is regarded as a normal development.

Should United States drastically lower the tariff on corn, in order to relieve the shortage of livestock feed, the resulting drop in prices in that commodity might be promptly transmitted to American wheat. This in turn might seriously influence Canadian exports in that direction this year, which of course must surmount a duty of 42 cents.

Coming Crops Hold Key

THE close balance between available supplies of wheat this year and the normal demand brings the coming crops in the Argentine and Australia into more than ordinary prominence. Total world stocks of old wheat at the beginning of the present crop year, Aug. 1, are placed at 770 million bushels, as compared with 925 millions a year ago and much larger figures for each of the 5 years preceding 1935.

With poor crops in the United States and Canada, and the liquidation of the bulk of the previous heavy carryover in the latter country, it is now deemed certain that further heavy inroads will have to be made on world carryover during 1937. The extent depends largely on the coming crops in the Southern Hemisphere. If there is serious damage in either Australia or the Argentine, then observers predict much higher wheat prices. But if crops in those countries promise unusually well, then a weakening of the world price is anticipated. Average good crops would tend to maintain the present market level.

• • •

Holding Back Grain

FARMERS who have threshed their wheat are beginning to show a livelier interest in the possibility of higher prices later in the season by withholding some of their crop from sale. First wheat was sold almost as rapidly as delivered to elevators. Now much is going into storage for at least as long as the free storage period of 15 days, allowed by elevators' tariffs, prevails. Other farmers have been holding a considerable portion of their crop in farm granaries. Practically no farmers are delivering to the Wheat Board at the initial basic price of 87½ cents.

• • •

No Bonus on 1935 Crop

TRADE opinion believes that no further return from the Wheat Board is to be expected by farmers on wheat they delivered to the Board during the past crop year. An official circular notifies elevator companies that their agents should advise farmers not to send their last year's participation certificates in to the Board. It is stated that the 1935 crop holdings of the latter are nearly all sold, and while final results are not yet definitely established, market prices during most of the selling period were below the Board's fixed price.

• • •

Danube Selling Freely

DANUBIAN country are now offering the principal competition to Canada in European markets. British purchases there have been heavier than usual. Some large quantities are reported to have been sold recently to Italy, rather to the surprise of some observers, who had expected Italy to consume new crop wheat so far as possible before commencing to admit necessary imports. Germany also has been taking some Danubian wheat. Apparently the Reich's supplies of old crop wheat have been exhausted, and a wet harvest has delayed arrivals of new crop grain on the market. Though the latter are expected to be sufficient, there is a gap during which some imports are urgently needed. A comparatively good harvest, coupled with prevailing prices in export markets, makes the present wheat situation highly satisfactory to the Danubian countries. Evidently the latter are determined to clear out stocks before new Argentine wheat again becomes a factor.

• • •

See Larger U. S. Market

UNITED STATES government agencies, it is announced, are to commence at once the purchase of some 10 million bushels of wheat to be supplied as relief seed for next year's crop. This buying may materially influence prices on the Canadian market, for most of the reserve will be made up of hard spring and durum wheat. If the demand should boost premiums for these grades still further over basic prices for futures, the opportunity to sell Canadian wheat across the border would be enlarged.

Storage Rates Are Increased In West Only

Commissioners Allow Third More for Most Elevators

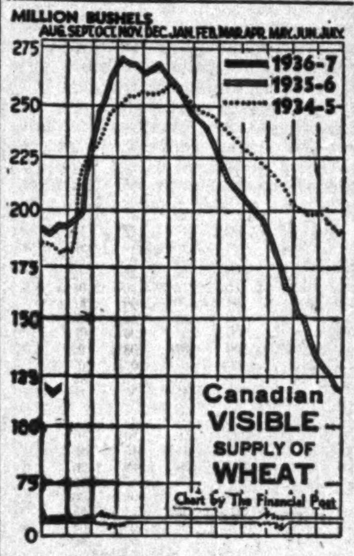
From Our Own Correspondent

WINNIPEG. — Elevator storage rates in Western Canada have been fixed at one-thirtieth of a cent per bushel per day. This is the maximum rate which has been approved of by the Board of Grain Commissioners for some years. It compares with one forty-fifth of a cent last year.

The recent increase should materially affect future earnings of such public companies as Alberta Pacific, Bawlf Grain, Federal Grain, Reliance Grain, United Grain Growers and Western Grain. All these companies in which there is an investment interest have their elevators concentrated in Western Canada. This year, however, the rise will be more than offset in many districts by the greatly restricted volume of grain handled due to the exceptionally light crop.

Request for higher rates by eastern elevators was refused. In denying the request the Board declared that an increasing percentage of grain was now moving to Atlantic ports by the all Canadian route, on account of the impracticability of shipping grain to the United Kingdom through Buffalo. Hence eastern elevators, it was declared, should find the advantages of the change in an increased volume of business rather than in an increase of rates.

Principal eastern elevators in which there is a public interest are Toronto Elevators and Goderich Elevator.



NEW WHEAT

Farm deliveries of new crop wheat are now beginning to be felt in real volume at country elevators throughout the western provinces. While the total is undoubtedly going to be light, quality on the other hand is very much higher than a year ago, general average being reported as excellent. As a result of this flow of new crop, Canadian wheat in store moved up about 7 million bushels last week in spite of what is now considered a normal weekly export of nearly 5 million bushels. Details in bushels are as follows:

Canadian Visible

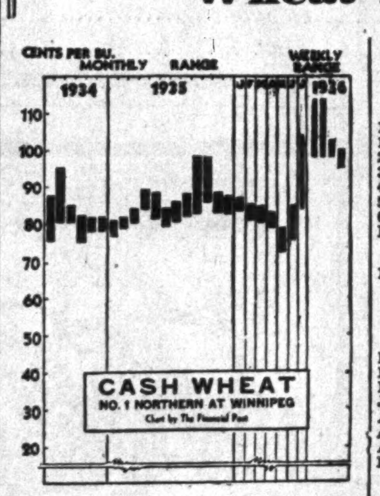
Week of Aug. 21	Last Week	Last Year
123,295,000	116,394,000	194,742,000

Export Clearances*

Week of Aug. 21	Last Week	Last Year
4,527,398	5,355,379	3,058,851

*Plus U. S. imports.

Wheat Prices



(Cash Quotations)

	For Week Aug. 25 High	For Week Aug. 25 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard ...	1.04½	.97¼	1.05	1.02⅞
1 Northern	1.03	.96¼	1.04¼	1.01⅜
2 Northern	1.01½	.94	1.02⅞	.99⅜
3 Northern	.99	.91½	1.00	.96⅞
4 Northern	.95	.88	.96	.92⅞
5 Wheat	.89½	.83	.90	.86⅞
6 Wheat	.88½	.84	.89	.83⅞
Feed Wheat	.72½	.68	.73	.65⅝
Vancouver: Week to Aug. 23:				
1 Northern	1.02½	.98¾	1.02⅝	.99

Competitive Export Prices: (Aug.) shipment.

	High	Low
	Week to Aug. 21	
No. 1 North. (Vanc.) ...	1.21	1.17½
No. 2 North. (Atlan.) ...	1.17½	1.14⅝
No. 2 North. (Vanc.) ...	1.19⅝	1.16⅝
Jugoslavian*	1.03¾	1.02¾
Australian (Afloat)	unquoted	
Australian‡	1.19⅝	1.18⅝
Argentine Rosafe†	1.07⅝	1.06⅝
Indian (choice Karachi)‡	1.17⅞	1.17⅛

*Aug.-Sept. shipment. ‡September. †January.

Winnipeg Grain Futures

Week to Aug. 25, 1936

Crop year from Aug. 1, 1936 High	Low		Open Aug. 19	High for week	Low for week	Close Aug. 25
		Wheat				
1.08⅝	.95⅝	Oct.	1.02⅝	1.05	.95⅝	.96
1.06⅝	.94⅝	Dec.	1.01¼	1.03⅛	.94⅝	.95⅛
1.08½	.96¼	May	1.02⅝	1.04⅛	.96¼	.96⅞
		Oats				
.49¾	.45	Oct.	.49	.49¾	.46	.46⅝
.48¼	.43	Dec.	.46¾	.47⅞	.43⅝	.44¼
.48¾	.44½	May	.47⅛	.47½	.44½	.44⅞
		Barley				
.66¼	.54⅝	Oct.	.61⅝	.62⅝	.54⅝	.54¾
.61⅝	.51⅝	Dec.	.59¼	.59¾	.51⅝	.52¼
.61¼	.51¼	May	.58⅝	.59⅛	.51¼	.52⅛
		Flax				
1.90½	1.67	Oct.	1.83	1.84	1.67	1.67
1.88	1.66⅝	Dec.	1.80½	1.81⅞	1.66⅝	1.66
		Rye				
.71⅜	.62	Oct.	.69⅜	.71⅜	.65½	.67
.70	.61¾	Dec.	.68	.69⅝	.64½	.65⅝
.71⅝	.62⅝	May	.68½	.70¼	.64¾	.65⅞

DIVIDEND NOTICES

THE DOMINION BANK

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th September, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of October, 1936, to shareholders of record of the 19th September, 1936.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 13th August, 1936.

The Canadian Bank of Commerce

Dividend No. 198

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1936, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1936. The Transfer Books will not be closed. By Order of the Board,

S. H. LOGAN, General Manager.

Toronto, 24th July, 1936.

Reno Gold Mines Limited (N.P.L.)

DIVIDEND NOTICE

Notice is hereby given that a dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the Company at the close of business on Thursday, the 10th day of September, 1936, and that the dividend will be payable on or after the 1st day of October, 1936.

The Register of Transfers will be closed at the close of business on the 10th September, 1936, until the opening of business on the 21st day of September, 1936.

By Order of the Board.

W. A. SUTTON, Secretary-Treasurer.

Vancouver, B.C., August 18th, 1936.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of

Eight Per Cent. Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Thursday, the First Day of October

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1936.

By order of the Board.

Walter F. Watkins, Secretary.

Toronto, August 12th, 1936.

DIVIDEND NOTICES

THE MONTREAL COTTONS LIMITED

Notice is hereby given that a quarterly dividend of One and Three Quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the preferred stock of the Company, and cheques will be mailed on the fifteenth day of September next, to shareholders of record at the close of business on the 31st day of August, 1936.

By Order of the Board.

CHAS. GURNHAM, Secretary-Treasurer.

Valleyfield, August 19th, 1936.

Siscoe Gold Mines Limited

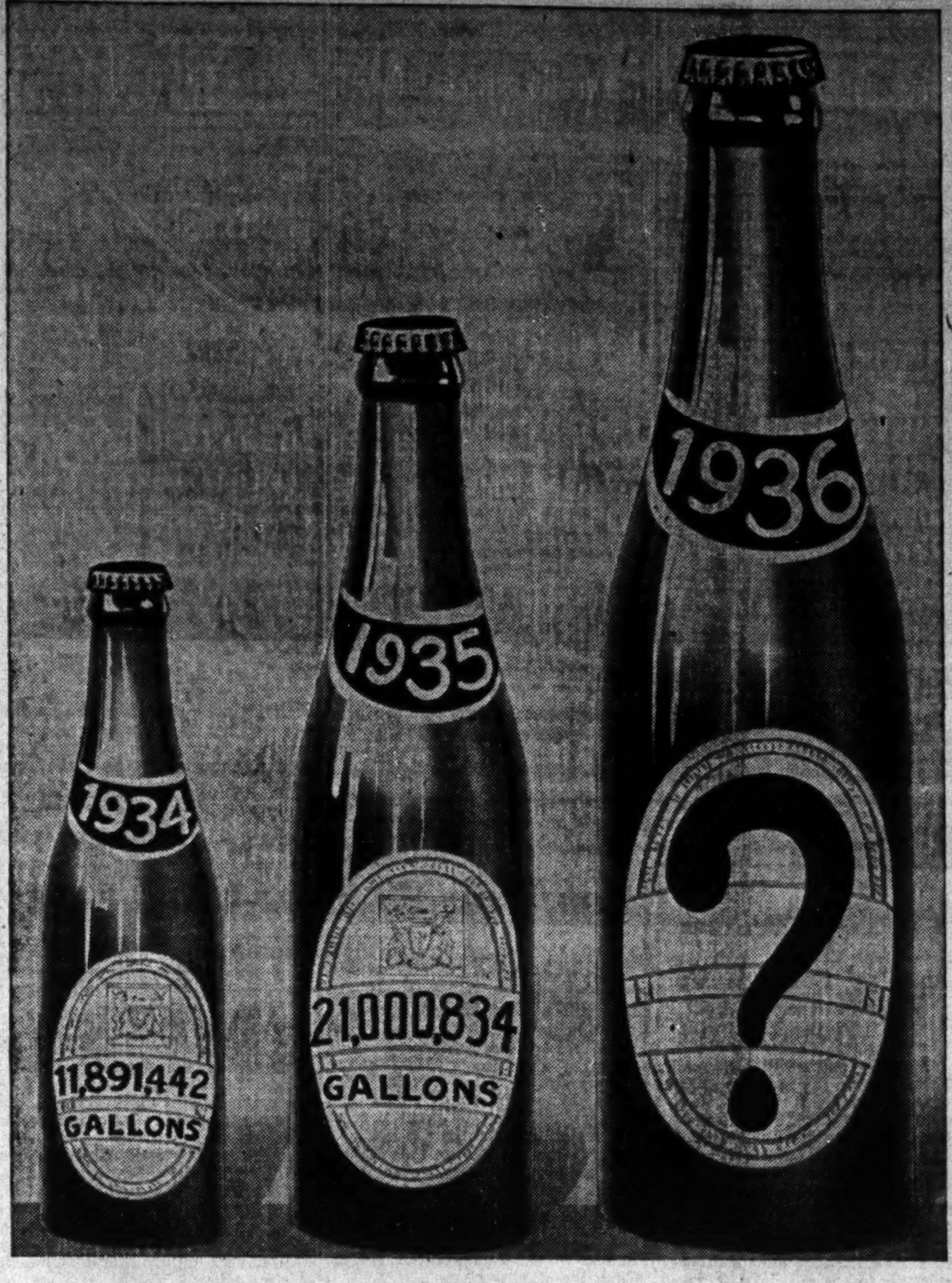
Notice of Dividend No. 18

Notice is hereby given that a Dividend of Five Cents (5c) a share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable the 15th of September to shareholders of record at the close of business on the 31st day of August. The stock transfer books of the Company will be closed from September 1st to 15th inclusive, for the payment of the said dividend.

By order of the Board.

H. E. GREEN, Secretary-Treasurer.

Montreal, 14th August, 1936.



ONTARIO BEER SALES GOING UP

Here's how beer sales in Ontario compare. The law allowing sale in hotels came into force in July, 1934, and until statistics are available for both 1935 and 1936 no exact comparison can be made. The trend is, however, upward. For the year ended October, 1935, which was the first full year under the new act, 21 million gallons of Canadian beer were sold in Ontario against 11 millions for the year ended October 31, 1934.

Ontario Beer Taps Hum

Since hotel beer sale commenced in Ontario 2 years ago wets and drys have fought almost 70 referendums. In exactly two-thirds of the municipalities concerned the drys have won.

But at the same time the wets have gone ahead consolidating the wide territory gained when open retail sale was permitted. As a result beer sales are up and there are actually 25% more places today where one can get a drink, than there were 2 years ago.

Out of a total of 66 referendums to date, the drys have won 44 times. This does not mean that 44 municipalities have closed up beverage rooms for 43 were already dry, either by local option or the old Canada Temperance or Scott Act. Of this number 38 decided to stay dry and only 5 turned wet. These were what might be termed dry victories against a wet offensive.

Drys Hold Ground

In the other field of battle, that is where drys sought to capture wet territory, progress proved more difficult. In the last 2 years votes have been taken in 18 muncipalities where beverage rooms or liquor stores had been already established. Thirteen of such municipalities definitely decided to remain in the wet column but 5 just as definitely swung the other way.

Net results therefore were 5 complete changes from both columns to the other, 20 licenses lost in some communities and 20 gained in some others. But the drys already in possession of much of the province hold as much ground as ever.

The increase in beverage rooms, when clubs are included, has been more than sufficient to offset the score of beer parlors closed by the referendums as well as those which might have been opened had the vote in dry territory been favorable to the wets.

The following table shows the steady gain in number of retail beer outlets since 1934:

Ontario Retail Beer Outlets

	Aug. 1936	Aug. 1935	Nov., 1934
Hotels	1,133	1,195	1,053
Summer hotels ...	53		
Social clubs	145	142	173
Veterans' clubs ...	86	90	
Military messes ..	137	79	
Railways	1	1	1
Steamships	12	6	2
Totals	1,567	1,513	1,229

Open More Hotels

It should be noted that comparison is made with November, 1934, and not with July when actual first hotel and club sale commenced. The reason, of course, is that, when the new law came into effect a great many applications for licenses were still being considered. Only less than 1,000 retail outlets were approved by the time the spigots were first opened. But not until November could the situation be regarded as normal. Now after a full 2 years of beer sale under the present Ontario Act one finds a growth of just over 25% in the number of hotels, clubs, etc., in which beer and wine can be purchased by the glass. Compared with a year ago, there is still a fair gain in total number, but perhaps a significant slight decline in the number of licensed hotels.

Other Outlets

In addition, at the present time there are 103 brewer's warehouses at which beer can be purchased but these are in a different category. They really represent wholesale distribution. Moreover such beer must be consumed in the home, either temporary or permanent. This, of course, applies whether that home happens to be located in dry territory or not. There are also over 100 government liquor stores where some beer is sold.

No comparable figures yet exist for Ontario beer sales under the new act. The latter came into force in July, 1934, and until statistics are at hand for both 1936 and 1935 no exact comparison can be made. The trend, however, is still unmistakably upward, though it is understood only to a moderate degree. Much will depend upon weather. A burst of heat like that experienced last month, for instance, sends beer as well as soft drink consumption bounding ahead.

But recently secured figures for the year ended Oct. 31, 1935, which is the first full year under the new act, naturally show a huge gain over 1934 and other years as follows:

Total Ontario Beer Sales
(Domestic manufacture)

12 mos. to Oct. 31	Gallons
1935	21,020,834
1934	11,891,442
1933	7,466,870
1932	8,578,560
1931	10,402,294

6 Gals. Per Capita

Here again the statistics should be regarded with caution. While the figures are official from the Liquor Control Board of Ontario, the 1935 consumption gives a truer picture of total beer consumed in the province than the previous records.

Naturally before the new act permitted retail sale in club and hotel, there must have been more illicit manufacture and consumption. Also there was admittedly a good deal more brewing in the home. But, of course, these leaks alone would not explain a jump of 9 millions to over 21. That gain means that beer consumption is on the increase in Ontario, notwithstanding the petty dry inroads on isolated beverage rooms in the smaller towns and villages.

Consumption of 21 million gallons in 1935 or about 6 gallons per capita, incidentally is just one million over the estimate made by The Financial Post in a special survey of the situation a year ago last September. But even this present rate, brewers point out, is 3½ gallons behind pre-war average and about 1½ gallons behind present Quebec consumption.

What of the Future?

Whether or not Ontario will get back to its pre-war consumption, which would mean a total outflow of roughly 35 million gallons per year, remains a matter of doubt. Certainly the referendums of the past 2 years would still indicate that the drys are far from beaten.

Details of Voting

The voting since 1934 in various Ontario municipalities shows the following results:

A—Establishment of beer parlors.
B—Continuance of beer parlors.
C—Liquor stores, continuance of establishments.

Town or Village:	Population	Victories Wet	Victories Dry	
Almonte	2,328	X		A
Arkona	416		X	A
Bancroft	841	X		B
Beamsville	1,142		X	A
Beeton	584		X	A
Blenheim	1,890		X	A
Bobcaygeon	906		X	A
Brampton	....		X	A
Bruce Mines	474	X		A
Cardinal	1,305	X		A
Carleton Place ..	4,272		X	A
Chesley	1,789		X	A
Collingwood	5,788		X	C
Erieau	264	X		A
Erin	434	X		B
Essex	1,838	X		A
Fenelon Falls ...	915		X	B
Fergus	....		X	B
Harriston	1,293	X		B
Essex	956		X	A
Jarvis	504		X	A
Kingsville	2,286		X	A
Lakefield	1,303		X	A
Lancaster	601	X		C
Lindsay	7,100	X		B
Madoc	1,059	X		B
Markdale	774		X	B
Markham	1,073		X	B
Mathieson	345		X	A
Maxville	785		X	A
Mt. Forest	1,821	X		B
Newcastle	611	X		B
Newmarket	3,608		X	A
Norwich	1,129		X	A
Peterborough ...	22,909	X		B
Petrolia	2,569		X	A
Port Rowan	674	X		C
Renfrew	5,289		X	A
Richmond Hill ..	1,270		X	A
Rodney	757		X	A
Southampton ...	1,520		X	A
Stoney Creek ...	834		X	A
Strathroy	2,879		X	A
Tweed	1,247		X	A
Vankleek Hill ...	1,295	X		C
Wardsville	314		X	A
Weston	4,738		X	A
Woodbridge	744	X		B
Townships:				
Aldborough	2,598		X	A
Anson & Hind ..	210	X		B
Bexley	620	X		B
Chapleau	2,346		X	A
Edwardsburg ...	2,622	X		B
Grimsby North ..	1,856		X	A
Grimsby South .	1,389		X	A
Kenyon	2,987		X	A
Mara	....	X		B
Minden	771		X	B
Osnabruck	3,783		X	A
Raleigh	3,906		X	A
Roxborough	3,561		X	A
Saltfleet	....	X		B
Sandwich South.	2,223		X	A
Sombra	7,384		X	A
Thorold	3,939		X	A
Tilbury W.	1,489		X	A

Dry and Wet Sentiment

This indicates that in the old dry areas, which approximately represent those old primarily Anglo-Saxon, small urban and rural municipalities, there still appears a strong dry sentiment. When one moves into the eastern counties where population of French descent is growing, then the sentiment swings the other way.

In the larger cities, too, the same trend holds. Indeed in such centres as Hamilton, Toronto and Ottawa, there have been no referendums in recent years and the possibility of a dry vote must still be considered rather remote.

In the northern areas, particularly in the industrial and mining sections, the trend appears wet. The same thing applies in the municipalities where there is a large population of German extraction.

Again if one moves into summer resort districts such as Muskoka, Haliburton or the Kawartha Lakes, the vote is almost as likely to go wet as dry.

Dry Population Sparse

Invariably the populations of dry areas are very much smaller than in districts where wet sentiment shows strong. On this account it seems that brewery interests can still suffer a long continuance of defeats similar to those losses of the last 2 years, and yet retain a very considerable preponderance of the total provincial purchasing power.

Dangers Ahead For Wets

By the opening of still more beverage rooms in these wet areas, the total number of licenses can be maintained or increased. Such a procedure, however, does not inevitably mean more sales just as a dozen grocery stores in a couple of blocks would not do 12 times the business of a single outlet in the same area.

Eventually this multiplying of the small hotels in the urban wet centres must reach the saturation standpoint, if it has not already done so. Competition among such hotels is bound to reflect on the profits of the owners. Competition, too, in other uses of these hotels, for they all must maintain dining facilities and so many bed rooms, may bring about unprofitable or possibly unsavory conditions which will eventually react on profits and the tenure of licenses.

Sales in Dry Areas

Even in the dry areas, however, an unfavorable referendum to the wets does not mean anything like the ending of beer sales. Thirsty persons simply buy their supplies by the bottle or case at a brewery warehouse or government liquor store. This, of course, entails a trip to the nearest wet town or an order by mail. The occasional glass is cut off and with it naturally some loss in sales, but by no means is there a total loss of customers among the population affected.

Little Wheat For Vancouver

Slim Alberta Crop and Slow Delivery Hits Pacific Port

From Our Own Correspondent

VANCOUVER.—For the moment at least exporters and brokers regard the outlook for wheat shipments from this port as decidedly poor.

The present price structure in Great Britain puts a premium on present as against future supplies of wheat. Consequently, when purchases of Canadian wheat are made, it is quick shipment from Atlantic seaboard that is in demand instead of much slower deliveries from this port. Then, too, a large part of the current demand for Canadian wheat is from the United States, and Vancouver cannot compete with the eastern route in supplying this trade.

Freight Rate Barrier

The freight rate structure offers another barrier, for while ocean freights have been advancing the tendency is to widen the differential between Vancouver and Atlantic rates. Heavy current shipments of Argentine corn both to Europe and to the United States are occupying the time of tramps that otherwise might be seeking cargoes on the Pacific coast.

Nor is Oriental business regarded as promising.

From a supply standpoint the immediate outlook appears equally discouraging. The crop in Alberta, from which province Vancouver draws most of its export wheat, is the smallest in many years.

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INTERNATIONAL CORRESPONDENCE SCHOOLS

In the 80's, during the period of rapid expansion of anthracite coal mining in Pennsylvania, a Scranton mining journal undertook to answer in its columns questions of men in supervisory positions on technical aspects of their work. It served hundreds of men who needed help to pass examination required by state laws for mine foremen, superintendents and inspectors.

A School of Mines, by correspondence, (the first course being in coal mining) started in October 1891. By 1899, fifty courses were available. Today more than 400 are taught by International Correspondence Schools.

In 44 years over 4,000,000 students have used the services of this great educational institution.

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The Week in Mining

Unsettling Influences Ignored by Mine Issues

Mildly Corrective Movement Evident in Price Tendencies But Senior Golds Provide Stabilizing Element

Ability of senior mining stocks to maintain an even keel in the face of unsettling influences affecting industrial share markets was largely responsible for the reassuring action of Canadian mining markets this week.

A mildly corrective process was evident, and the market has not yet passed completely through the testing period that followed its advance to new peak levels earlier this month. But faced with the now familiar war scare—which this week threatened for a time to upset the equilibrium of the industrials—as well as profit taking and hesitancy on the part of buyers, the mines held their ground.

O'Brien, Noranda, Siscoe and some of the base metals displayed independent strength in contrast to reactionary tendencies elsewhere in parts of the Canadian list. Chief among the stocks to yield ground were the lower-priced golds, silvers and base metals but nowhere was there an indication of a serious tumble in the general price structure.

Intensive mining development, the steadily increasing list of producing properties and rehabilitation of formerly abandoned holdings all provide clear evidence of actual progress in mining in various Canadian areas. The confidence bred by these factors continues to find expression marketwise in underlying buying support for seasoned stocks of proven mining companies.

Rumor Mongers

LATEST venture of the rumor mongers was an attack on Pioneer Gold of B.C., but whether someone was "short" or whether it was merely a case of talking for exercise is not clear. The evidence points to "shorts."

The story arose out of a recent accident causing injury to 2 men, following gas accumulation at a lower level of the mine. Immediately the whisperers saw a chance to capitalize, if only for the benefit of their own prestige as pseudo "insiders."

The B. C. Mines Inspection Department had ordered extensive underground changes at Pioneer to improve ventilation; the mine was a death-trap; it would probably have to be shut down—these and other completely unfounded stories circulated in Vancouver.

They were, of course, officially denied, but one of the most serious aspects of the situation was that the yarnsters took great care to circulate a report that the Mines Inspection branch had ordered Pioneer to sink another shaft below its 14th level and to shut down operations on the lower levels meanwhile.

Which is exactly what Pioneer is going to do in any case, except that no other operation is being shut down in the process.

No. 3 shaft is to be carried below the 14th as a part of the deep-development programme adopted months ago, and deepening will go on intermittently during the next 6 or 8 months.

The fact that Pioneer's richest ore has been found in the deeper levels and by exploration below the 14th may have had something to do with the rumor. To deepen a shaft for development of rich ore indicated by drilling is one thing; to do it only as a safety measure ordered by provincial mines authorities is something entirely different.

Rumors of this type should not impair eastern Canadian confidence in the senior producing mines of B. C.

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Calgary's Oil Boom

TO TURNER VALLEY ROYALTIES' discovery of 44 gravity crude oil on the western flank of the Turner Valley oil field, Calgary's stock exchange owes much of the credit for its latest boom in speculative oil stocks.

Biggest boom on the western oil market since 1933, sales and value of shares traded during June jumped to 1,117,407 shares with a market value of $128,451, and in July dropped back again to 761,804 shares with a value of $120,931.

July figures, nevertheless, were highest of any July since 1933 and the decline from June totals for sales and values indicated the price trend was still upward in July notwithstanding the decline in trading volume.

The figures follow:

	Shares Traded	Value
June, 1936	1,117,407	$128,451
July, 1936	761,804	120,931
July, 1935	147,069	11,269
July, 1934	266,597	42,282
July, 1933	1,730,773	291,737
July, 1932	52,636	7,569
July, 1930	490,320	190,488

Discovery by Turner Valley Royalties that the western flank of the field was something more than a source of naphtha was itself the most important development in the field since the Dingwall discovery well came in 22 years ago. It had the double effect of stimulating speculative activity in western oils and of causing dozens of companies to redouble their efforts to bring in producing oil wells in a geological section where few experts believed it to exist.

Marketwise, July found Highwood-Sarcee leading in speculative trading, with McDougall-Segur in second place and Lethbridge Pete, Madison and Royalite figuring prominently in the turnover.

In the field, British American Oil, living up to its nickname, "Lucky B.A.," shared initial returns from the heavy flow of oil from T.V.R. Officials of Vulcan, with a 15% royalty interest were also jubilant, as were those of McDougall-Segur, with an 11% interest Calmont, with 6% interest, Spooner with a 5% interest in the new producer, and Alberta Pacific with 3%.

Disappointments caused by unsuccessful operations in some sections of the southern end of the valley are being forgotten in the light of the new sphere of activity to the west. Add to that the stimulus given speculative interest by the T.V.R. producer and it is not difficult to understand why Calgary's stock exchange is experiencing its first real boom in years.

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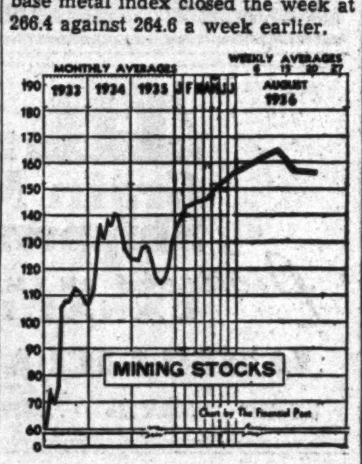
Mining Index Lower

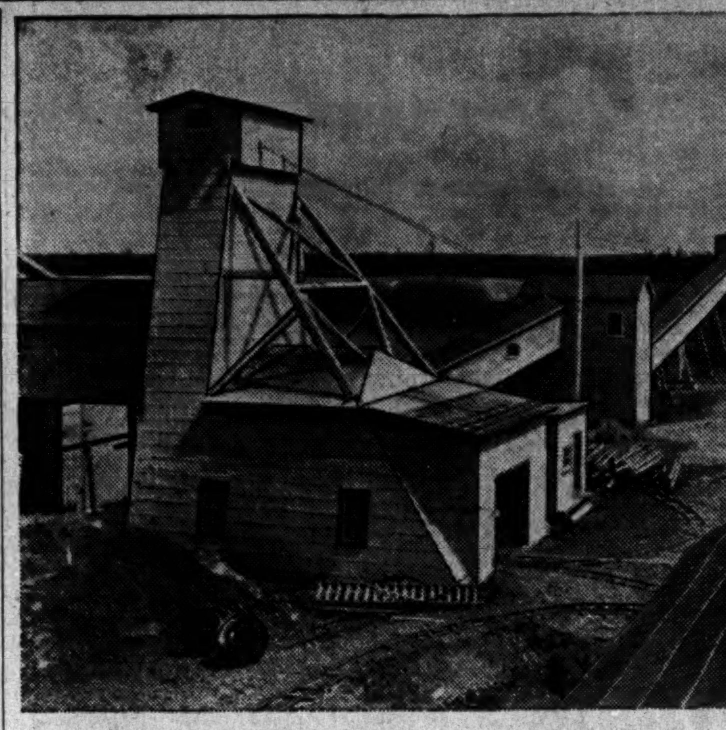
FURTHER levelling off of the price peak reached earlier in the month left the general index of Canadian mining share prices at 158.1 for the week of August 20, compared with 158.5 at the end of the preceding week.

The mildly corrective movement, which arose out of the fact that recessions in the gold group were a more potent influence than gains in the base metals, nevertheless left the index far above the 115.1 reported the week ended August 22, 1935.

Lake Shore, Siscoe and Wright-Hargreaves were the firm features of the week, but quotations for more than two thirds of the gold group as a whole were lower and caused the third successive decline in the index in as many weeks. The gold group's index figure fell from 132.9 to 132 on August 20.

The base metal index in contrast, moved to a new peak, largely as a result of Noranda's advance to average $63.97 during the week. The base metal index closed the week at 266.4 against 264.6 a week earlier.





QUEBEC'S YOUNG SHAWKEY

Shawkey Gold Mining Co. is one of the crop of 1936 producers in Quebec. The plant shown above came into production last February, and by the end of June had produced gold to the value of $126,310. The property, in Dubuisson twp. about 1½ miles south of Siscoe Gold Mines, was originally staked in 1911, but did not receive thorough development until it passed into the hands of Robert Shawkey, of baseball fame.

Richmac's Ore Averages $24

Sampling Confirms Gold Values on Red Lake Property

Trenching on the western section of Richmac, in the McKenzie Island area of Red Lake, has exposed 5 zones of mineralized schist and conglomerate, intruded by McKenzie Island porphyry. Visible gold is present in the conglomerate.

Sampling in the eastern section of the property confirms the previous average value of $24 gold per ton across 5 feet, and over a length of 175 feet with both ends still open, according to a wire from A. L. Reading, engineer in charge of operations at Richmac.

Commercial Widths

A crew of 15 men, under the direction of Mr. Reading and James E. Boyle, president, is engaged in trenching and sampling the known veins in preparation for a diamond drilling campaign. The company owns 12 claims outright, immediately north of Gold Eagle and previous sampling by Percy Hopkins gave unusually high gold values of $25.20, $58.45, $50.05, $52.08, $15.05, $35, $104.45, $77 and $18.90 across 5 feet and over a length of 175 feet, or an average of $24. Recent channel sampling gave $9.80, $196, $62.70 and $42 across 3 feet for a distance of 100 feet between the first and fourth samples.

Discovery of a new vein on the west side of the property, facing McKenzie Island, is also made known. The find has been traced over 400 feet. Test pits are being sunk in this section to pick up possible extensions of the McKenzie and Gold Eagle breaks.

Kirkland Lake Cuts Rich Vein

Porphyry Formation Similar to Best Sections of Mine

Crosscutting southward from the main vein on the 3,600-foot level of the old property, Kirkland Lake Gold has encountered a new vein in porphyry, assaying $122 over 2½ feet.

Location of the new vein is about 125 feet from the main workings and about 600 feet from the Macassa boundary. A second vein was cut by continuing the crosscut 15 feet farther and values at the latter point were found to be $26.50 over 2 feet.

The new veins are in virgin territory and in porphyry similar to that in which Kirkland Lake has obtained its best ore. Crosscutting is continuing to explore the 3,600-foot level of the old property.

Anglo-Western's Holdings 480,000 Acres in Alberta

Disclosure that Anglo-Western Oils Ltd., backed by British capital, holds oil and mineral rights to 480,000 acres of freehold land in Alberta, was made at the recent annual meeting of the company in Calgary.

The concern is a holding company and is not undertaking development. Anglo-Western Oils Ltd. is headed by Herbert Greenfield, former Alberta premier, and the directors, re-elected at the recent meeting, include: Sir William Cope, Col. Pryce-Jones, Mervyn Brown and D. R. MacDonald, all of London, England and J. Coxon of Calgary.

Sladen-Malartic Mine Releases Optioned Stock

From Our Own Correspondent

MONTREAL. — Sladen-Malartic Mines advises the Montreal Curb Market that 3,000 additional shares have been taken up under the option agreement. This leaves 646,000 shares under option and 1,631,016 shares outstanding in the hands of the public, not including escrowed stock.

Jack Nutt's Kenora Discovery Confirms 20-Year Old Theory

By THOMAS C. THOMPSON

Jack Nutt was right.

For 20 years the veteran prospector, mill builder, mine owner and one-time professional boxing champion has preached Kenora as a potential gold camp. Long before the war he travelled through Lake of the Woods by canoe, sleigh and on foot, until almost every foot of the region was familiar to him.

Three months ago he told friends he "had a hunch"—and when "The Great Nutt" said "hunch," he was probably performing a miracle of under-statement. He left Toronto and disappeared into his familiar haunts in the Lake of the Woods. Then the staking started.

This week, reports reaching The Financial Post from its Winnipeg correspondent gave the first indication that "The Great Nutt" had made a gold find of importance. Further enquiries reveal that the discovery —7 miles southwest of Kenora and a mile from Washagamis Bay—has attracted heavy staking and the active interest of several of the larger Canadian gold mining companies. Jack Nutt's claim that he knew where to look for gold in the Kenora region appears to have been well founded.

Several months ago Nutt casually mentioned to a friend, J. B. Stewart, that the search for gold in the Kenora area was based on a big mistake; that attempts to develop the district from finds of narrow, rich quartz veins with spectacular gold values, could never amount to anything.

He often told the writer that his own "finds" of jewellery store pieces in Lake of the Woods were so rich that assay figures would be ridiculous.

"But," he added, "if gold is scattered around Lake of the Woods and Kenora like pepper from a pepper-pot, there is geology too that indicates commercial deposition."

Values Up To $40

In association with Stewart, Jack Nutt prospected the area southwest of Kenora and a month ago reported on his surface findings during a trip to Toronto. Claims were staked and others optioned. Surface exploration gave values ranging from $7.50 to $40 gold per ton. Heavy staking on adjoining claims followed.

Meanwhile, the Nutt staking was extended until the claims now cover about 700 acres. The property lies 6 to 8 miles east of the old Three Ladies' claims which are reported to be under option to Joseph Errington and associates.

Brae Breest Gets Claims

The original arrangement between Nutt and Stewart has been enlarged to the extent that Brae Breest Gold Mines Ltd. has taken over control of the original Nutt discovery and the adjoining claims. J. B. Stewart is president of Brae Breest, a company financed largely in the United States but in which there is also a substantial Canadian shareholder interest. A. L. Johnson, of Timmins, is vice-president and R. F. Hardy, Toronto, is secretary. The company is capitalized at 3 million shares of which one million are issued.

Drilling is now in progress at the Brae Breest-Nutt property. Mineralization on the surface occurs in a quartz porphyry mass, heavily impregnated, and showing consistent commercial values from surface work already carried out.

"We have completed all the surface work we require," Mr. Stewart informed The Financial Post, in Toronto, "and we believe we have a large ore body. Drilling will give us the information of a geological character that we need before going on with development."

Jack Nutt knew where to look for it, and hunch or no hunch, required less than 3 months to find it, stake it, and get to the diamond drilling stage. The preparations, however, required 20 years.

Widths of 50 Feet

From Our Own Correspondent

WINNIPEG.—Discovery of a wide porphyry flow, 6½ miles southeast of Kenora is creating wide interest.

The district generally has been noted for its narrow, rich quartz veins and though phenomenal values have been found in these veins, it has been found difficult to obtain ore bodies of sufficient size and continuity to permit profitable operation.

The recent find, made by Jack Nutt, follows a season spent in searching for ore bodies of larger dimensions. A portion of the new find is on the Indian Reserve. Some claims were acquired by purchase and some by staking.

Preliminary surface work has been done, indicating substantial values over widths from 15 to 50 feet and traced for over 1,000 feet in length. It is now planned by the Brae-Breest company, holders of the property, to do about 5,000 feet of drilling.

Noranda's Net Likely to Rise In Second Half

Increased Gold Production and Firm Copper Market Are Factors

$1.87 IN 6 MONTHS

An increase in gold production and rising prices for copper are the reasons for Noranda's increased earnings reported for the first 6 months of this year. The outlook is for continuance of the trend in the second half of 1936.

Earnings are higher for both the first and second quarters; 87 cents a share in the first quarter compared with 56 cents a share in the same period of 1935, and $1 a share for the second quarter against 58 cents in the second quarter of 1935, or a total of $1.87 for the first 6 months of 1936.

Copper production was lower than in the first half of last year but gold production rose by 53,000 ounces and a strengthening copper market more than off-sets reduced production. The percentage of copper and gold production fluctuates from period to period according to the sections of ore mined but subject to the necessity of planning for years ahead for the extraction of ore, the general policy of Noranda is to maintain tonnage at consistent levels. Profits for the first half of the year, subject to year end revision, are estimated after providing for depreciation at the usual rate of 10%, and after making an estimate of taxes payable on results of the period under review.

Foresee Firm Copper

Noranda officials believe the prospect for maintenance of higher copper consumption at higher prices appears reasonable but declines in the price of zinc make the future outlook for this metal uncertain. It is for this reason that no decision has been made by directors of Waite Amulet Mines, Limited, to recommence production on that property, according to James Y. Murdoch, president of Noranda.

It is from copper and gold production that Mr. Murdoch "looks forward to substantial earnings for the balance of this year." Capital expenditures at the Horne Mine this year will cost about $600,000 and improvements are designed for greater operating efficiency rather than increased production. An additional $50,000 is being spent in providing housing for employees, and the office building is being enlarged at a cost of $50,000 to provide additional space and for the use of the purchasing department which will be moved from Toronto to Noranda.

Operating Earnings

Estimated operating earnings for the 6 months ended June 30 are as follows:

	1st qu. 1936 $	2nd qu. 1936 $
Total recovery	4,097,482	4,422,566
Less: Min. admin. & gen. expenses	1,656,841	1,650,335
Res. for taxes	410,000	465,000
Net oper. earns.	2,030,641	2,307,241
Add: Misc. inc.	62,159	85,405
Total income	2,092,800	2,392,645
Less: Est. res. for depreciation	140,511	141,489
Est. net profit	1,952,289	2,251,156
Earns. per share	$0.87	$1.00
Copper anodes prod., lb.	16,297,127	15,807,863

Hallnor Mines

Hallnor Mines Limited, Noranda's 2 million share company which holds the Poulet-Veteran property in Whitney Township is completing installation of a mining plant and development plans call for sinking a shaft to 600 feet preparatory to further lateral explorations. Expanditure of several hundred thousand dollars is planned but Noranda officials state it will be some time in 1937 before a definite opinion can be formed as to the economic merits of the property.

Pamour Treating $6 Ore

Noranda has advanced nearly $150,000 to Pamour which will eventually be repaid out of earnings. Pamour is operating at slightly over 500 tons a day on ore a little over $6 per ton, but earnings will be expended for some time, apparently for improving operating results and to continue development work which is necessary if the mine is to be a "reasonably sized dividend payer" in the words of Mr. Murdoch.

Norbeau Inactive

Norbeau Mines Limited, in which Noranda holds a controlling interest, will be static until a decision is made regarding transportation into the Chibougamau area. No plans are being made by Noranda for additional work on it in the meantime

At the Mines

Albany River Mines—Installation of electrical equipment on the Patricia property will be completed by the time the transmission line is in operation. Shaft sinking is continuing under steam power, pending the power change-over. The shaft is down 190 feet.

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Arntfield Gold Mines—Exploration with diamond drills is planned in virgin territory near the boundary of Francoeur as a result of favorable indications of mineralization indicated by drilling on the latter property. Strike of the Francoeur discovery is reported traced into Arntfield ground and lies about 800 feet north of the shear in which Arntfield has centred operations on the Boischatel property to date.

• • •

Edgecreek Gold—New drilling is under way with the object of intersecting a high grade vein reported on adjoining property, in Larder Lake. Equipment has been moved to the new location.

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Gold Mountain Mines—Funds for mill and tram line are arranged and directors have ordered work to proceed on a 50-ton flotation mill which should be ready by Dec. 1. The company's property is located near the "Nickel Plate" mine, near Hedley, B.C., under development by the Mercer interests of New York.

• • •

Golden Gate—Drifting on the new vein at the 200-ft. level of the Kirkland Lake property continues to yield satisfactory ore grades, according to officials. Operations are still in ore at 46 ft. Values of $51.80 over 30 in. were encountered at 35 ft.

• • •

Goldbanks-Kirkland — Thomas L. Gledhill, mining geologist, has been retained by Goldbanks-Kirkland Mines in the Kirkland Lake camp. Directors plan to follow the geological survey with a diamond drill campaign on this property, which is located on the Macassa Road in Teck Twp.

• • •

Imperial Reserve Mines—which with its associate company, the Toronto Harker Mines, controls 46 mining claims, fully paid, and 31 additional claims held under option in the Lightning River gold area, reports plans for exploration and drilling this fall. If the work is favorable, it will be followed by shaft sinking and underground development. For the time being, costs of current exploration have been provided by certain shareholders.

• • •

Rosedale Gold—The mill is handling over 70 tons a day, according to officials, and extraction is running about 87%. An additional fine crusher will be installed to bring production up to the cyanide mill's maximum of 100 to 125 tons a day and to maintain or increase extraction. Additional ore reserves have been put in sight recently at the property located in Socorro County, New Mexico.

• • •

Salmo-Malartic Mines—New ore in the north drift of the Sheep Creek property from No. 2 winze, carrying gold and silver values, is reported by officials. The company is being financed by Arntfield Mining Syndicate.

• • •

Marquette Long Lac — adjoining the Little Long Lac Gold Mine—has awarded a diamond drill contract and work in this direction is to get under way immediately.

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Nova Scotia Gold—In a telegram to Toronto officials of Nova Scotia Gold Mines, A. L. Schneider, engineer-director of the company, advises that operations on the east side of the shaft on the 500-ft. level at the Tangier property have exposed what appears to be high-grade ore. Work has not as yet progressed to the point that the extent or value of this ore can be stated.

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Norgold Mines — Financing arrangements are being made to permit more extensive exploration of the company's Bousquet property. Drilling is in progress and it is planned to erect camp buildings and sink a shaft when financing is completed.

• • •

Nugold Mining—Electrification of the equipment at the Blockhouse-Dome property in Nova Scotia is planned. A 50-ton mill is also planned for the autumn. The vein at the company's Porcupine property has been sampled for 300 ft., but no assay results are available as yet.

Smelter Gold Spurred By God's Lake Results

Following encouraging underground results at the property of God's Lake Gold Mines in the God's Lake section of Manitoba, Smelter Gold Mines whose central property adjoins God's Lake on the east has decided to have this section of its property systematically geologized with a view toward further development. The company has engaged Dr. J. M. Wright, formerly with the Department of Mines, Manitoba, to conduct this survey.

The company reports there are still over 1.9 million shares of Split Lake Gold Mines in the treasury of Smelter Gold.

Boundary Survey is Seen As Move to Levy Royalty

From Our Own Correspondent

REGINA. — Survey work on the Manitoba-Saskatchewan boundary line to ascertain correctness of the line in Flin Flon district is now under way, with representatives of both provinces on the job. Reason for a survey will appear obvious at a later date when a 10-year period in which no mineral royalties were paid will be up.

Claims involved straddle the border and on the one side, Manitoba has granted freedom from royalties in perpetuity. Saskatchewan granted a 10-year period in which no royalties were collected. The activity of the survey party apparently means the Saskatchewan government will not extend the period for non-payment of royalties.

Marble Deposit Is 400 Ft. Deep

Drilling Reveals Presence of Huge Newfoundland Body

From Our Own Correspondent

ST. JOHN'S, Nfld.—Drilling on what is now thought to be one of the largest deposits of blue and variegated marbles in the world is proceeding rapidly at Canada Bay, on the northeast coast not far from St. Anthony.

The deposit is held under license by Muir's Marble Works, St. John's, and considerable investigation into marketing possibilities in Britain has been conducted. Six holes of 400 feet will be drilled by the diamond drill in operation and examination of cores is reported by the proprietors to disclose a solid body of marble to depth of the drill holes.

Under the arrangement by which the drill, property of the Department of National Resources, is rented, the Government is to receive reports of all cores taken out. Any statements made on results, therefore, will have Government confirmation available.

Milling to Resume At Horseshoe Mine

Initial Basis of 50 Tons Daily Likely

From Our Own Correspondent

WINNIPEG. — The Horseshoe property on Regina Bay just off the Kenora-Fort Frances highway and about 50 miles east of Kenora, is being put in shape rapidly for a resumption of operations.

The shaft is being retimbered and this has been completed to below the 250-foot level. The mill, equipped with 30 stamps, is also about ready.

It is planned to have the property in operation before the end of the month, with probably an initial operation of 50 tons per day. There is ample ore in the stopes for this operation and sufficient to keep the mill running for a length of time to get more ore ahead.

Ore Receipts at Trail

Ore receipts at the Trail smelter of Consolidated Mining and Smelting Co. Ltd. from Aug. 8 to Aug. 14, inclusive, and from January 1 to date, in tons are:

Company's mines	8,974	315,294
Other mines	463	16,204
Total	9,437	331,498

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Current Chatter From Manitoba

From Our Own Correspondent

WINNIPEG. — Increased activity on the Optic Lake Gold property, adjoining Gurney Gold, is forecast by the visit of J. A. McVicar, Toronto, to the property. Mr. McVicar spent some days in the north going over the property with E. T. Hartnett and C. B. Dawson, the latter consulting engineer for the company. A small crew has been at work since spring and some interesting surface showings have been disclosed. Some trenching and pitting has been done but it is felt that work should be proceeded with more rapidly. The road from the Cranberry-Sherridon line to Gurney Gold now in the course of construction will be carried on to connect up with the Optic Lake property.

• • •

San Rumors Continue

Rumors persist about dividend action by San Antonio Mines Limited, but no definite information is available. J. D. Perrin is believed to be at the property now, having flown in from Kenora, his summer home. Bush fires have been so bad and the pall of smoke so thick over the entire area that for nearly a week flying has been impossible. The situation is, however, clearing up and information is expected shortly.

• • •

Central Manitoba

William Hurst, president of Central Manitoba Mines Limited, and Howard Ritchie are at present on a trip of inspection at the property. Central Manitoba Mines established a policy of informing shareholders by circular quarterly as to progress, but in view of rumors as to the property it is anticipated information will be available within a few days. The shaft on the Kitchener is now down 900 ft., and lateral exploration is due to commence.

Kaw Crow Drill Cores Show Gold in New Area

Four drill cores showing gold values over narrow widths have been obtained from initial drilling on the newly explored section of Kaw Crow Patricia. The new section, swamp covered and of which little has hitherto been known, lies 100 feet east of the Winoga ore body and opposite the southern claims of Winoga.

Significance of the drill results is their first definite indication of gold deposition in the section. Officials will proceed with further exploratory work in the same area as a result.

July Output Shows Jump At Bulolo Gold Dredging

July production by Bulolo Gold Dredgings totalled 13,904 ounces of fine gold, the company has advised the Montreal curb market. This compares with 11,065 fine ounces in June and 10,847 ounces in July last year.

Estimated working profit in July amounted to 9,671 fine ounces which is equivalent to $338,485 at $35 gold. In June this year the working profit was estimated at $261,520 and in July, 1935, $262,575.

During the month 986,700 cubic yards of gravel were dredged at this New Guinea property as against 1,002,000 cubic yards in June and 958,000 cubic yards in July a year ago.

Painted Hills Mines Ltd.—Canadian subsidiary of Painted Hills Oils Co. of California—is expected to commence operations shortly by drilling on the Benton acreage, west of Lethbridge, Alberta. C. H. Phillips, representing California oil interests, recently entered into an agreement with Benton Oils, Lethbridge Petroleum & Refining, and the Lethbridge Leases, under which the drilling programme is to be carried out.

We Recommend the Purchase of
CENTRAL CADILLAC GOLD MINES LIMITED
The Centre of Cadillac Activity
•
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Please send me complete information and map on Central Cadillac Gold Mines Limited.
Name ....
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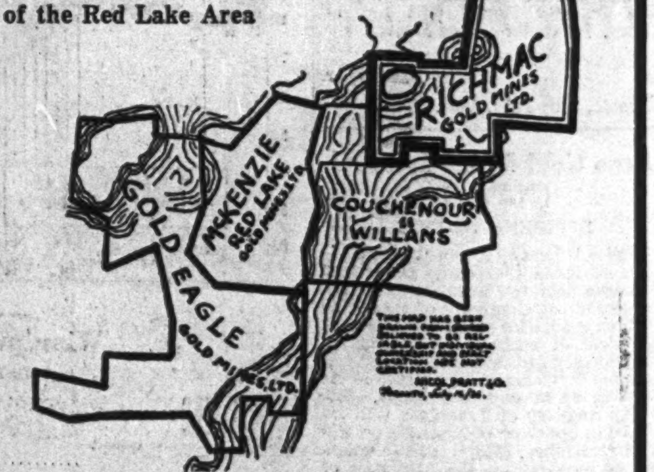
Located in the Heart of the Red Lake Area



RICHMAC GOLD MINES (1936)
LIMITED, N.P.L.
The following wire has just been received from the property, where an extensive trenching and exploration campaign is under way, preparatory to diamond drilling:
1936 Aug 20 P M 3.58
"Trenching part western sector of Richmac has exposed five zones highly mineralized schist and conglomerate totalling hundred and thirty-five feet wide intruded by McKenzie Island porphyry stop Preliminary surface assays encouraging only two blanks—visible gold in conglomerate stop Eastern sector recent sampling confirms average twenty-four dollars across five feet hundred and seventy-five feet long open both ends with highest value nearly two hundred across three feet stop Interim report by mail in few days—Signed A. L. Reading Engineer"
Recent channel samples taken by Mr. James E. Boyle, President of Richmac, assayed as follows:
$196.00, $67.20 and $42.00 across three feet and with a vein length of one hundred feet between first and third samples.
BOUGHT — SOLD — QUOTED
Information on Request
From your own broker,
OR
NICOL, PRATT & CO.
15 Melinda Street - WAverley 2981-2-3
TORONTO

Output of Gold Sets New High For Dominion

June Figure the Highest Monthly on Record

6 MONTHS UP 16.3%

Canadian production of gold in June set up a new high monthly record at 316,670 ounces according to a statement just issued by the Dominion Bureau of Statistics, Ottawa. In May, 308,492 ounces were produced, while in June, 1935, the production was 286,093 ounces. During the first 6 months of the current year the Canadian output totalled 1,757,509 ounces or 16.3% above the production in the corresponding period of 1935.

In Ontario, an advance of 3.4% was recorded in June as compared with the preceding month. In Quebec, operators reported an output of 58,267 ounces of gold in June as against 59,176 ounces in the preceding month. In June, British Columbia's output declined to 34,338 ounces from the May total of 35,345 ounces.

The American Bureau of Metal Statistics estimates world output of gold in June at 2,766,000 ounces as compared with 2,755,000 ounces in the preceding month. South African production rose to 944,000 ounces from the May output of 938,000 ounces. In the United States, which includes Philippine production, 339,901 ounces of gold were produced.

Cent. Manitoba Starts Drive

Intensive Development is Planned on Lower Levels

From Our Own Correspondent

WINNIPEG.—The Kitchener shaft on Central Manitoba Mines Limited property has reached its objective of 900 feet. Everything is in readiness to commence operations on the lower levels.

At the 850-foot level it is planned to commence a drive northeast to cut ore bodies indicated by diamond drilling. This drive will likely be 400 feet in length and a similar drive will be undertaken on one of the higher levels.

William Hurst, president of the company, is satisfied with the manner in which the comprehensive development programme is proceeding.

At the Hope shaft on the east end, work is proceeding on 3 levels but no continuity of ore has yet been found on the 450-foot level. A drive to the east on this level revealed ore indications but no commercial quantities. A drive is now being made to the west on this level but has not yet progressed far.

On the 250-foot level a raise is being put through to the 125-foot level and as far as this has gone it is in ore of good grade.

Quiet Since Late '90's Sioux Lookout Peps Up

Kenora Area Getting First Serious Attention in Years

From Our Own Correspondent

HUDSON, Ont.—Important developments are taking place in the Sioux Lookout area of the Kenora mining division and the sector is getting the first serious attention since gold and other minerals were first discovered in the late '90's.

Other than the North Pines sulphur mine which has been dormant for over 15 years, very little attention has been paid to mineral deposits. The only gold recovery credited to the area came from the Chimney mine early in the century and the Vermilion Lake Gold Mines property last year. The Chimney is credited with the production of $30,000 in gold, while from test shipments the Vermilion mine had less than $1,000 chalked up to its credit at Ottawa.

Many Programmes Under Way

As a result of the important find made in June of 1935 at Split Lake, attention has finally been turned to the Sioux Lookout area in a big way and exploration and development is taking place at a score of properties. Shaft-sinking is in progress at Split Lake Gold Mines, while similar programmes will be commenced within a short time at the Alcona and Vermilion Lake Gold Mines properties.

Diamond drilling is in progress at the Keefe-McLeish property, while a campaign of drilling was recently completed at the Dynes-Forrester-Barragar group.

Other important groups include: Split Contact Lake Syndicate where surface work, preliminary to diamond drilling, has been about completed; Cedar Bay Gold Syndicate where important showings have been opened up by surface work; Inter Lac Gold Syndicate, which has an option on one group and owns the adjoining group of 15 claims on Minnetaki Lake and the Schmidt-Wallbridge claims, where diamond drilling is to get under way shortly.

Split Lake Sinks Shaft

At Split Lake Gold Mines the shaft has reached the second level at 225 ft., and is being continued for another level at 350 ft. after which underground development will be carried out on all 3 levels. Details of results from underground work have not yet been made public. On the surface 11 veins are located closely grouped together and diamond drilling is reported to have proved continuation of these showings. In sinking operations some new veins have been located.

Alcona Gold Mines, which has been inactive for several years through lack of finances, has arranged funds with the Globe Mining & Financial Ltd., Toronto. A new company, Alcona Mines Ltd. has been formed with 4,000,000 shares. Globe has optioned and purchased shares in the new company totalling $550,000. When this financing deal is completed, 720,000 shares would still remain in the treasury. The company plans the immediate sinking of a shaft under the direction of E. P. Sawyer, M.E., and Douglas Wright, consulting engineer, a plant for which is now being purchased.

Final arrangements are being completed to finance a sinking programme that will get under way shortly at the Vermilion Lake Gold Mines property. W. J. Morrison, manager, is arranging for a mining plant to sink shaft to 500 ft. Diamond drilling was completed on these claims during the winter. Further drilling is to be done in conjunction with the sinking programme.

An interesting development has taken place at the Keefe-McLeish where the only surface showing was an outcrop. On a hunch, the owners put a diamond drill on this group and in the first 80 ft. of the first drill hole to be put down, 3 veins were cut. Two of these were about 6 to 8 ft. in width, while, at last report from the property, the drill was still in ore on the third vein which was then 25 ft. wide. This property adjoins Vermilion Lake Gold on the southeast.

A small amount of diamond drilling on the Dynes-Forrester-Barragar claims at Black Lake, which is east of Split Lake, gives encouragement for further work to be done.

Surface work on an intensive scale is proceeding at the Split Contact Lake Syndicate property which adjoins Split Lake Gold on the west. W. A. Hoffman, M.E., is in charge. Sufficient work has been completed to justify drilling which is to be commenced shortly.

The Cedar Bay Gold Syndicate is a newly-organized group which acquired the Carlbom-Burns claims adjoining Vermilion Lake Gold on the southwest.

Strike Made in Town Limits

Several new strikes have been reported in recent weeks from different parts of the area. D. Kressall, resident of Sioux Lookout, reports the finding of an important-looking vein on his property which is within the town limits of Sioux Lookout. While prosecuting surface work on their claims, new strikes have been reported on the Rogers-McKee claims at Minnetaki Lake and on the Hill-Yersley group which is near Split Lake.

An important new find is also reported from the Powell-Armstrong claims at Split Lake. Surface work is proceeding at the Houbert property near the Golden Rod mine at Minnetaki Lake. Consolidated Smelters made a recent examination of the Pidgeon property in the Sandybeach Lake section where surface work is going ahead. Surface exploration has been done on the Kane claims at Split Lake, while further work is planned later.

Gale Gold Mines To Augment Crew

Reporting on developments at Gale Gold Mines in Northwest Quebec, officials inform The Financial Post that on the first level, the drift of No. 1 vein has advanced from 248 ft. to 265 ft. Assays are not yet completed. Drifting on No. 3 vein at this level advanced from 76 ft. to 190 ft. with assays running up to $30.10 per ton.

Freehold Oil Seeks Funds For Drilling

Turner Valley Royalties Produces 25,000 Barrels in July

GET $1,800 DAILY

From Our Own Correspondent

CALGARY.—Provided the necessary finances can be raised, the Freehold Oil Corp. will probably undertake a drilling campaign in Alberta in the near future. Recently its directors received the assent of shareholders to a capital increase of from 1,000,000 shares of no par value to 3,000,000 shares of no par value. A total of 913,322 shares has been issued of the original capital stock.

The corporation is now asking its shareholders to give directors "all the powers of borrowing money and granting securities." This is taken to mean the company will raise capital for a development programme.

The Freehold Oil Corp. Ltd., sometimes erroneously listed as the Freehold Corporation, has a half interest in 2 naphtha producing wells in Turner Valley — Freehold-Marjon and Union Drilling-Freehold. The former well produced 771 barrels and the latter 495 barrels in June, the last month for which official production figures are available.

Disappointment—Consolation

Somewhat disheartened by the disappointing results at the Highwood Sarcee No. 2 well in the extreme south of Turner Valley, for which high hopes were held that it would be a crude producer similar to Turner Valley Royalties, oil men are taking consolation in the fact that Highwood-Sarcee was drilled to the east of what is now recognized as the west flank of Turner Valley and the probable location of the crude oil pool. Definite information of the extent of the pool penetrated by Turner Valley Royalties, which produced about 25,000 barrels of crude oil in July, will be determined by the success or non-success of the Renfrew, Richfield and Foundation Royalties wells now active in the area.

Present indications are that the yield at Highwood-Sarcee No. 2 will hardly be in excess of 50 barrels a day. It is considered possible, however, that the naphtha production may be considerably greater than this when all the rotary mud forced into the porous lime horizon during drilling operations is cleared. Highwood-Sarcee No. 2 drilled through more porous lime than any well drilled in the history of the field.

Imperial Oil, through its Alberta subsidiaries, is interested in a number of active operations in Southern Alberta at the present time. It has a share in the possible production in the Arca well being drilled from 5,642 ft. west of High River. Others interested in this well are the Calgary and Edmonton Corporation and interests associated with the Canadian Natural Gas, Light, Heat and Power Co., Ltd.

Royalite Drilling

Royalite, Imperial subsidiary, is drilling the Sterling-Pacific 3 and 4 wells to completion in south Turner Valley. The former well is down approximately 4,740 ft. The latter, which is the most interesting in view of its location in bush country in the extreme west side of Turner Valley, is down about 500 ft. The Dalhousie Oil Co., in which Royalite is interested, is starting a No. 8 well in south Turner Valley.

Turner Valley Royalties' crude production is being maintained at around 850 barrels daily. A recent increase in the gravity to above 45 degrees means that the company, henceforth, will receive $2.12 a barrel or a daily revenue of about $1,800. When the well first came in the crude had a gravity of about 43 degrees and the price was below $2 a barrel.

New Companies in 1936 Near All-Time Record

In the number of mining companies formed, the year 1936 appears a close rival to the all-time record of 1907, in which year the Cobalt boom was at its height and expanding into the South Lorraine and Elk Lake districts.

No figures on the number of companies formed in the early years of Canada are available on a Dominion-wide basis. In 1907, however, 321 new mining companies were formed in Ontario. To the end of July, 1936, The Financial Post estimates, about 165 new mining companies have been formed, which should bring the 1936 total to somewhere about 300. This compares with a total of 103 Ontario companies formed for the entire year 1935. In 1934, a total of 241 new companies was formed, and in 1933, only 95.

It should be recalled that even this enormous increase does not fully reflect the expansion in mining activity. One of the features of the current boom has been the number of old companies, long dormant, that have been revived, and are working formerly active properties.

The following mining companies have been formed in recent weeks, or have changed their name or capital structure as noted:

Advance Red Lake Gold Mines—Ont. incorp. July 13, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Aegean Gold Mines—Ont. incorp. July 16, 1936. H. O., Toronto. Author. cap. $40,000, divided into 4,000 shares of $10 each.

Alcona Mines—Ont. incorp. July 24, 1936. H. O., Toronto. Author. cap. $4,000,000, par $1.

Amercanda Mining & Milling—B. C. incorp. July 2, 1936. H. O., 1110 15th Ave. E., Vancouver. Author. cap. $25,000, in 250 shares of $100 each.

Argomines (Canada)—Ont. incorp. July 13, 1936. H. O., Toronto. Author. cap. 3,500,000 shares, no par value.

Augite Porcupine Mines—Ont. incorp. July 15, 1936. H. O., Toronto. Author. cap. $2,000,000, par $1.

Barker Reef Gold Mines—Ont. incorp. June 24, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Berens River Mines—Ont. incorp. July 2, 1936. H. O., Village of Empire. Author. cap. $1,000,000, par $1.

Bickleigh Mining—Ont. incorp. July 20, 1936. H. O., Toronto. Author. cap. $40,000, par $1.

Black Cock Mines—B. C. incorp. July 6, 1936. H. O., c/o Wragge & Hamilton, Can. Bank of Commerce Bldg., Nelson, B.C. Author. cap. $50,000, par $1.

Black Eagle Red Lake Mines—Ont. incorp. July 7, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Bouscadillac Gold Mines—Ont. incorp. July 2, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Boyd Kirkland Gold Mines—Ont. incorp. July 16, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Brooks God's Lake Mines—Ont. incorp. June 20, 1936. H. O., Toronto. Author. cap. $4,000,000, par $1.

Brownlee Mines (1936) — Ont. incorp. June 30, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Candalaca Gold Mines — Ont. incorp. July 28, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Carman Mines—Ont. incorp. June 29, 1936. H. O., Windsor, Ont. Author. cap. $3,000,000, par $1.

Delwood Porcupine Gold Mines — Ont. incorp. June 24, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Dempsey-Cadillac Gold Mines—Ont. incorp. July 14, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Doreva Gold Mines—Ont. incorp. July 27, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Dufferin Golds—B. C. incorp. July 27, 1936. H. O., 208 Yorkshire Bldg., 525 Seymour St., Vancouver. Author. cap. $1,500,000, in 3,000,000 shares of 50 cents par.

Donwel Gold — Ont. incorp. June 26, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Dupont-Hodgson Gold Mines—Ont. incorp. July 9, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Electra Porcupine Gold Mines—Ont. incorp. July 8, 1936. H. O., Toronto. Author. cap. $5,500,000, par $1.

Faulkenham Lake Gold Mines—Ont. incorp. July 14, 1936. H. O., Toronto. Author. cap. $3,500,000, par $1.

Gaffney Mines — Ont. incorp. July 22, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Garden Valley Gold Mines—Ont. incorp. June 22, 1936. H. O., Toronto. Author. cap. 5,000,000 shares, no par value.

Glebe Mining and Finance—Ont. incorp. June 29, 1936. H. O., Toronto. Author. cap. 100,000 shares, no par value.

Goldgrant Mines—B. C. incorp. July 6, 1936. H. O., 409 Rogers Bldg., 470 Granville St., Vancouver. Author. cap. $1,500,000, in 3,000,000 shares of 50 cents par.

Gordon Sceptre Mines — Ont. incorp. June 20, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Gridnex Mines — Ont. incorp. July 9, 1936. H. O., Toronto. Author. cap. $40,000, par $1.

Hayes Cadillac Mines—Ont. incorp. July 23, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Hillside Mines—Ont. incorp. June 24, 1936. H. O., Toronto. Author. cap. $3,500,000, par $1.

Hoyle Mines—Ont. incorp. July 6, 1936. H. O., Toronto. Author. cap. 3,000,000 shares, no par value.

Indian Head Long Lac Mines—Ont. incorp. July 9, 1936. H. O., Toronto. Author. cap. $2,000,000, par $1.

Kensington Gold Mines—B. C. incorp. July 5, 1936. H. O., Room 606 Pacific Bldg., 744 Hastings St. W., Vancouver. Author. cap. $200,000, par $1 each.

Kinsman Prospectors—Ont. incorp. July 10, 1936. H. O., Toronto. Author. cap. $50,000, divided onto 2,000 shares of $25 each.

Kirkfield Mines—Ont. incorp. July 24, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Lakeport Gold Mines—Ont. incorp. June 29, 1936. H. O., Port Arthur. Author. cap. $2,000,000, par $1.

The Loonskin Lake Mines—Ont. incorp. July 20, 1936. H. O., Sault Ste. Marie. Author. cap. 500,000 shares, no par value.

McKay Lake Gold Mines—Ont. incorp. July 2, 1936. H. O., Vilage of South Porcupine. Author. cap. $1,000,000, par $1.

Melba Gold Mines—Ont. incorp. July 13, 1936. H. O., Townsite of Kirkland Lake, Ont. Author. cap. $3,000,000, par $1.

North River Mining—Dom. incorp. as a private company, July 8, 1936. H. O., Montreal. Author. cap. $50,000, in 500 shares of $100 each.

North Whitney Mines — Dom. incorp. July 24, 1936. H. O., Montreal. Author. cap. 3,500,000 shares, no par value.

Otisse Long Lac Gold Mines—Ont. incorp. June 26, 1936. H. O., Toronto. Author. cap. $50,000, in 10,000 shares of $5 each.

Paint Lake Gold Mines — Ont. incorp. June 26, 1936. H. O., Toronto. Author. cap. $5,000,000, par $1.

Porcupine Triumph Gold Mines — Ont. incorp. July 27, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Portage Longlac Mines — Ont. incorp. June 20, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Precious Metals Mining—B. C. incorp. July 22, 1936. H. O., 718 Granville St., Vancouver. Author. cap. $100,000, par $1.

Purcell Mines—B. C. incorp. July 24, 1936. H. O., 723 Metropolitan Bldg., 837 Hastings St. W., Vancouver. Author. cap. $1,500,000 in 3,000,000 shares of 50 cents each.

Rajah Red Lake Gold Mines—Ont. incorp. July 15, 1936. H. O., Toronto. Author. cap. $3,500,000, par $1.

Rouge D'Or Mines—Ont. incorp. July 25, 1936. H. O., Toronto. Author. cap. $5,000,000, par $1.

Ru-Cadillac Gold Mines—Ont. incorp. July 27, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Sanshaw Mines—Ont. incorp. June 30, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Schenley Mines—Ont. incorp. July 27, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Senore Gold Mines—Ont. incorp. June 30, 1936. H. O., Toronto. Author. cap. $2,000,000, par $1.

Skidegate Gold Mines—B. C. incorp. July 2, 1936. H. O., 716 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap. $750,000, divided into 1,500,000 shares of 50 cents each.

Snowshoe Mines—Ont. incorp. June 25, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Stillwater Mining—Dom. incorp. July 21, 1936. H. O., Montreal. Author. cap. $50,000, in 5,000 shares of $10 each.

Spirit Lake Gold Mines—Ont. incorp. July 22, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Thorne Explorations—Ont. incorp. July 13, 1936. H. O., Toronto. Author. cap. 10,000 shares, no par value.

Traverse Longlac Mines — Ont. incorp. June 25, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

White Guyatt Mining—Ont. incorp. June 26, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

CAPITAL CHANGE

The Digby Dome Mines—Supplementary letters patent issued July 23, 1936; redividing the 150,000 previously authorized shares, par value of $10 each, into 1,500,000 shares, par value $1 each and increasing the capital to $3,000,000 by the creation of an additional 1,500,000 shares, par $1.

Dorval Siscoe Gold Mines—Supplementary letters patent issued July 13, 1936, increasing the capital of the company from $3,000,000 to $4,000,000 by the creation of 1,000,000 additional shares of $1 each.

Wendigo Gold Mines — Supplementary letters patent were issued July 2, 1936, increasing the capital of the company from $3,000,000 to $4,000,000, par $1.

Manor Gold Mines—Supplementary letters patent were issued June 25, 1936, decreasing the capital stock of the company from $5,000,000 to $2,666,831, by the cancellation of 2,333,169 issued and fully paid-up shares of $1 each.

Glenora Gold Mines — Supplementary letters patent were issued June 22, 1936, increasing the capital of the company from $3,500,000 to $4,500,000, by the creation of 1,000,000 additional shares of $1 each.

CHANGE OF NAME

Margaret Mines — Supplementary letters patent were issued July 2, 1936, changing the name of the company to Margaret Red Lake Mines, and increasing the capital from $600,000 to $3,000,000, by the addition of 2,400,000 shares, par $1.

Nevada Gold Mines—H. O., Vancouver, will apply for approval to change its name to Kelly Lake Gold Mines.

Pinelle Kirkland Mines — Notice given July 6, 1936, that the company has changed its name to Kirkland Diorite Gold Mines.

CHARTER SURRENDERED

La Palme Porcupine Mines—Notice given July 23, 1936, that cancellation of the charter of the company was fixed for Aug. 17, 1936.

North Deloro Mines—Notice given July 7, 1936, that application has been made for surrender of its charter.

COMING!

THE FINANCIAL POST

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Mining Enquiries

Sherritt-Gordon

Recent action of Sherritt-Gordon Mines stock would indicate that developments of importance were taking place at this property. Is this so, or is the market movement pure optimism?

It is true that developments of an interesting nature are taking place on the property of Sherritt-Gordon Gold Mines. The company announced officially that it would resume depth development of the mine by sinking the main shaft a further 300 ft., to a depth of 1,100 ft. and establish a new level at 1,000 ft. The work is in progress in anticipation of future resumption of production, but actual production is not intended until the price of copper appears to be stabilized at a profitable level. Strength in the copper market over the last few months is probably the most significant feature in consideration of Sherritt-Gordon's prospects. The company can operate at a profit on 10-cent copper, but officials obviously are intent upon having reasonable assurance that the price of copper will be maintained at least at that level before embarking on large scale production again.

Long Lac Lagoon

Some months ago I purchased 2,000 shares of Long Lac Lagoon stock on account of the proximity of the property to the producing mines in the Long Lac area, according to the map in your Survey of Mines.

Last week on another map I found that the property I thought was Long Lac Lagoon is shown as Elmos Mines.

I would appreciate any information you can supply regarding this matter.

On March 25 of this year, shareholders of Long Lac Lagoon Gold Mines approved a proposal authorizing the sale of the company's assets to a new company, Elmos Gold Mines, for 400,000 shares and $1,000 cash. The proceeds are to be distributed and the company eventually wound up. The new company, Elmos Gold, issued 300,000 shares to P. E. Hopkins for an option held by him and additional shares in settlement of liabilities in his favor. Debts of $4,000 were to be paid off by Oro Plata Mining Co. in return for a block of new stock. Elmos is continuing work on the surface and has been doing a limited amount of drilling. The property is fairly favorably situated.

Escrowed Stock

In a recent issue of The Financial Post you mention the release of additional shares of East Malartic Mines as well as stating the number of shares still under option and in escrow. Will you kindly let me know the date on which the shares in escrow are to be released and how a small investor may be able to obtain information as to the shares of any mining company in escrow and the date of release of such shares? What is the purpose of this?

The one million shares of East Malartic Mines which were issued to the vendor of the property are pooled, or held in escrow, until May 31, 1938.

As regards ascertaining how many shares of any mining company are held in escrow, this information should be obtained before the stock is purchased. The salesman or broker from whom the stock is purchased should have this information and the purchaser should insist on getting it.

The system of holding vendor stock in escrow has gained in popularity in the last few years. The objective is to protect the company during the difficult financing period. You can readily see that were, say, one million shares, which were issued to the vendor, suddenly released on the market just when the company was seeking to raise capital for further development, the result would often be disastrous and would not be in the best interest of either the shareholders or the holders of vendor stocks. In most provinces, the provincial securities authorities exercise the right to hold stock in escrow or release it as they see fit. Usually this stock is not released until the property has reached a fairly advanced stage of development.

Central Cadillac Stock Is Offered

Granville & Co. Offer Public 400,000 Shares at 25 Cents Each

From Our Own Correspondent

MONTREAL.—Granville and Co., of Montreal, are making an offering of 400,000 shares of Central Cadillac Gold Mines Ltd., at 25 cents a share. This issue has been underwritten and the proceeds of the sale will not go into the treasury of the company.

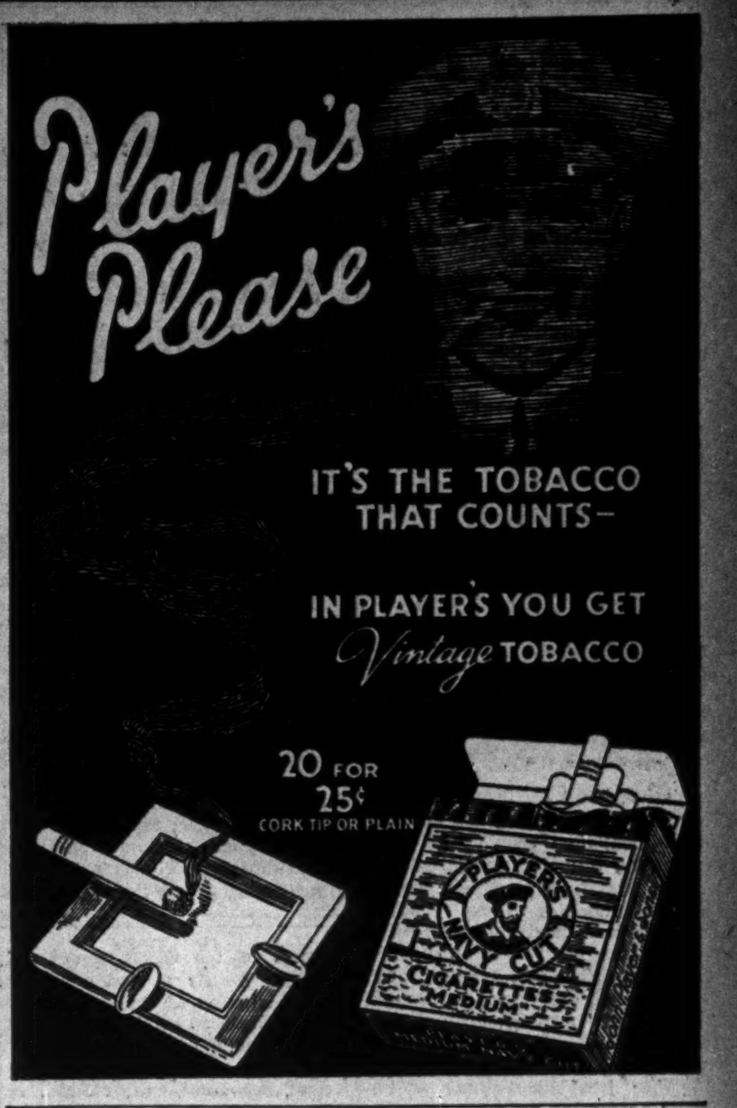
Central Cadillac holds a group of mining claims comprising over 550 acres in Cadillac Township, adjoining the property of O'Brien Gold Mines, Canadian Gold Operators, Wood Cadillac and Pandora Cadillac.

Sufficient funds have been guaranteed to the company to carry out the immediate plan of operations. These will consist of surface exploration, drilling, shaft sinking and lateral work which will be concentrated mainly on the 2 most southerly claims. These are in a direct line with the findings on O'Brien to the west and Wood Caddillac and Pandora Caliddac on the east.

International Gold Putting Mill in Shape

Formed 18 months ago to take over the former Boundary Red Mountain Mines located immediately adjoining the international boundary line between Washington and British Columbia, International Gold Mines informs The Financial Post that the 50-60 ton milling plan is being put into operation immediately. The company claims sufficient ore is immediately available in the upper levels to keep the mill in operation for some months. In the meantime, a crosscut is being driven to intercept the downward extension of an ore body which is showing 4 ft. in width in the floor of the 700 ft. level.

Share structure of the company consists of an authorized capitalization of 3 million shares, par value 50 cents. Of this amount 1,308,851 shares have been issued, of which 653,431 shares are in escrow.



Thompson Cadillac July Gross $16,000

Mill Averages 75 Tons Daily; Recovery 93.2%

From Our Own Correspondent

MONTREAL.—Thompson Cadillac Mining Corp. milled 2,226 tons in July for a gross recovery of $16,000. Bullion to the value of $10,600 was shipped to the Mint and $5,400 of gold concentrates sent to the stock pile, according to a report issued by Andrew Walz, consulting engineer. The average recovery for the month was 93.2%.

The report of Mr. Walz says:

"On the 600-ft. level both the east and west faces have been making mill feed, and about 40% of the ore to the mill came from development faces. The grade of ore to the mill for this reason is under average grade of the mine. The mill continues to operate satisfactorily and there have been times when the recovery has been as high as 96%.

"Progress is being made in the disposition of flotation concentrates and negotiations are now under way which would reduce treatment charges and freight rates considerably under the present scale prevailing.

"Development is now proceeding on 2 machine shifts on the 600-ft. or bottom level of the mine to the west section of the property, to reach an objective which disclosed characteristic high grade ore of the district on our 150-foot level."

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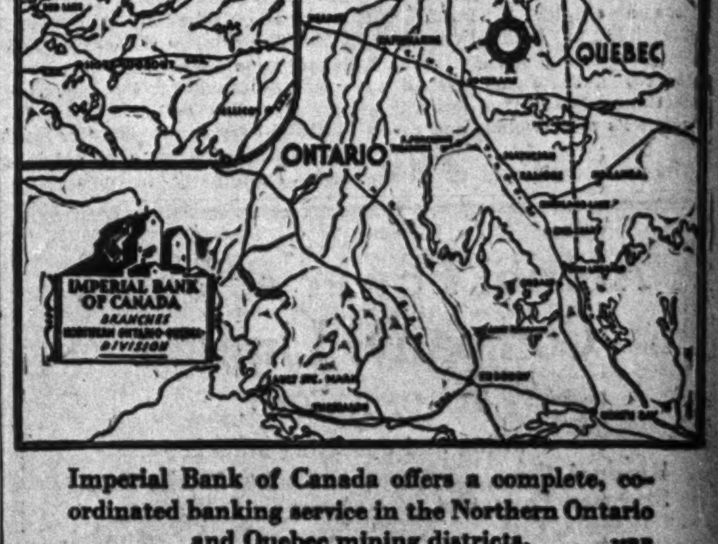

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Civic Politics Gags Relief

Political Interference One of Most Deplorable Of Relief Problems Charlotte Whitton Believes

By CHARLOTTE E. WHITTON, O.B.E.

Charlotte Whitton, O.B.E.

One price Canada is paying for failure to co-ordinate and control relief administration is the development of an incredible diversity of relief schedules, practices and procedures in hundreds of municipalities throughout the country. Not only is this costly to Canada in resources and effort and in human character and initiative, but it further aggravates our problem by aiding and abetting the discontented wanderings of an increasing transient population.

In the early days of the depression, authorities were working without precedent, and frequently, outside the centres of established services, with quite inexperienced staff. Today, the years have trained "on the job" many competent men and women, and altogether, key personnel are available for piecing together jumbled sections of the crazy patchwork quilt we know as "relief." What we need is agreement on a design for this quilt and authority to pull its jagged sections into place.

One Man's Meat

For instance, under present circumstances one community with perhaps a small relief load, and fairly adequate administration introduces a cash relief or a cash for work scheme, and another municipality adopts it without study or adaptation, and with disruptive results.

One municipality decides to provide humanely for its own unemployed population and finds itself invaded with suburban families who simply cannot be "thrown out" in the depth of winter. This is inevitable, for instance, when one finds a large industrial community providing a maximum schedule of $41 to $42 per month for a man, wife, and 3 children, and its pleasant residential neighbor 10 minutes distant, giving $48. These are actual figures. In another instance, the rates compare $42 with $48.50.

Wide Variations

One finds a city with a heavy relief load, and faced with especially severe winter conditions granting $52 to a family of this size per month, and another city, with a similarly heavy load but situated in a comparatively good winter climate paying practically $2 per month more, and the fuel difference less than this per month. Another city a few miles distant pays nearly $4 less per month.

An industrial city, "hardly hit," pays $48.50 a month to a family of this size, another within a few hours' run, less severely affected, $42.50; a third, suffering most heavily of all pays $57, and so it goes.

The smaller cities and towns show an even wider divergence, while practice in the rural municipalities varies incredibly, except in those provinces where the central provincial administration has prescribed a general schedule.

Political Interference

Efforts to clean house within a municipality are accompanied by peculiar and almost insuperable difficulties under present conditions. Every relief official knows something of families and individuals taken on relief, reinstated, given extras, kept on in spite of earnings, put on relief or cash work projects, etc., because of "pull" with aldermen or mayor, or their henchmen. The imposition upon overworked relief staff of the inexperienced but rarely disinterested relatives or friends of aldermen as employees in relief administration is repeatedly on the record.

And there is the long tale of continuous bickerings between civic and relief administrations over relief procedures and over the placing of grocery, milk, fuel or clothing contracts, to say nothing of the real ingenuity that has at times marked discussion and adjustment in the high finances of rent or shelter payments with their fruitful offshoots of mortgage, interest, taxation and insurance grants.

Maintenance on partial relief of those again entering employment offers a chapter in itself. But susceptible to destructive interference and exploitation as such instances indicate the system of direct municipal control to be, they are not its most vicious and costly aspects.

The most deplorable of all the features of the direct control of relief by locally elected bodies is the exploitation of that portion of the electorate on relief by the most brazen electioneering promises of changes in relief procedures, personnel, schedules, etc., offered, of course by the least responsible of the candidates for office, as a bait for support. The cost of changes forced in relief in hundreds of instances by such means would run into millions of dollars while the effect upon the enthusiasm, interest and devotion of relief officials and the efficiency of administration can be imagined.

It is simply impossible to maintain control when relief recipients can boast to officials that "Mayor—or Alderman—will have you all out of here, in 2 months, anyway," or when officials are bluntly told that it is not their business to "work for X Town or the province of ——— but for the city or town of ———" and under such orders as they are given.

Officials see new procedures, such for example as turnovers from relief in kind to relief in cash being introduced a few weeks before an election, though they know what the inside of the picture is, how ill equipped their organization may be to handle it and how grave and costly the results will be.

But they are helpless, as they are when a new council suddenly sweeps into office, dedicated to bigger, better, and easier relief, or on the other hand to "wring the water out of the relief system," and to do so ruthlessly, treating every needy unemployed citizen as a rogue or a vagabond.

Protection Against "Machine"

The situation does not necessarily demand, as some would have it, such drastic action as a holus bolus deprivation of municipal franchise for all those on relief but rather the protection of the actual administration of relief itself from the immediate influence of the municipal election machine.

Disinterested, public-spirited municipal leaders themselves would welcome such a departure for under the present system the conscientious mayor or member of a municipal council is subjected to an incredible demand upon his time and patience by requests for hearings and adjustments from other aldermen, from the "machine mechanics" and from the recipients of relief themselves or their friends.

The Way Out

Bringing order out of the whole situation does not necessarily mean uniformity of standards or procedures but rather reasonable comparability among similar units within each province and between provinces. But it will require independent commissions or committees of citizens, similar to the National Employment Commission, within provinces and municipalities or regional groups of comparable municipalities. And it will mean guaranteeing them at least 3 years permanency of tenure free from the interference of expediency. It will mean futher, giving them freedom, within a reasonable appropriation, to engage their administrative personnel and to develop their organization and system.

With freedom of control thus assured for a reasonable period and an adequate staff of experienced executive officials, these local and provincial bodies would be free to work out with the National Employment Commission the comparable relief procedures and standards required throughout the Dominion and to collaborate directly with the National body in any plans for local or general stimulation of employment opportunity in partnership with industry, and in similar projects for placement, special training, etc.

Outlook Not Hopeless

The peculiar conditions of a country like the Dominion would seem to suggest the wisdom of handling our relief systems on less centralized lines than have characterized many of the developments in the United States. A scheme of national planning providing at the same time for decentralization through provincial supervision and local administration, with conditional control as a basis of partnership would seem to accord better with Canada's present constitutional set-up and with the practices already developed in several provinces.

But the assurance of independent control and of freedom for competent administrative staff must be assured, from the beginning. Granted such conditions, the effective reorganization of relief procedures and administration offers a problem of comparative hopefulness.

Scathing Indictment Made Of Canada's Relief Set-up

Failure to co-ordinate and control our relief administration is robbing taxpayers of millions of dollars and sapping the morale of workers and recipients alike, says Charlotte Whitton in this scathing indictment of our present relief set-up.

Speaking from a Dominion-wide contact with social and relief administration, she lashes out at the crazy jumble of relief schedules in various municipalities and attacks openly the brazen electioneering and political interference which she terms "the most deplorable of all the features of direct control of relief by locally elected bodies."

To effect a cure she sees no need for "holus-bolus deprivation of municipal franchise" but rather the effective "protection of the actual administration of relief from the immediate influence of the municipal election machine." She suggests independent commissions or citizen committees guaranteed "at least 3 years permanency of tenure, free from the interference of expediency." Above all she urges "assurance of independent control and freedom for competent administrative staff," if we are to reconstruct relief administration along sound lines.

In previous articles Miss Whitton has shown how near is Canada to the shoals in respect of unemployment and relief problems and has outlined reasons why the problem in this country looks more like a crazy patchwork quilt than a properly administered undertaking.

In subsequent articles for The Financial Post, Miss Whitton will discuss in further detail individual phases of social reconstruction in Canada.

ONCE A SASKATCHEWAN FARM—NOW SAND

On this abandoned farm in Southern Saskatchewan the federal department of agriculture is conducting experiments by which it hopes to prevent soil drifting. An indication of the depth of the sand drifts can be seen by looking at the threshing machine, half buried, and the fence posts almost completely covered.

Farm Experts Hope to Save Drifted Land

They're Experimenting in Southern Saskatchewan "Desert"

TRY TO STOP DRIFT

From Our Own Correspondent

SWIFT CURENT, Sask.—It belongs to the Dominion of Canada now—640 acres of shifting sand that used to be prize farming land.

To the federal department of agriculture it is known as the Cadillac Reclamation Project. The "farm land" was taken over by the government last year with the intention of proving that proper methods of cultivation and experimentation could bring back to fertility "The land that God forgot."

For that is what the people of Cadillac district, 40 miles due south of Swift Current in southwestern Saskatchewan; one of the hardest hit portions of the drought area, call it.

Just Weeds and Sand

Of the 640 acres about 400 acres are shifting sand, open to the vagaries of any wind that blows. The remainder is covered with weeds which are gradually being buried by the sand. The farmers who tilled that land for years until the drought and soil drifting left them penniless, pessimistically turned it over to the government when agricultural engineers said they could save it.

First object of the government's plan is to check the drifting. Methods include plowing, one-way discing and cultivating. These are done in such a manner they leave the land as rough as possible. Then it is seeded immediately to a mixture of fall rye and oats or barley. The latter is used to obtain sufficient growth to protect the fall rye through the winter and spring. Drifting checked, the land is seeded to crested white grass to form a permanent pasture.

Only a small portion of this work was possible this summer. Most of it would already have been done but practically no rain has fallen in the area this year and there is no moisture to germinate the seed even if it were put in. Authorities admit no great deal of success has so far been accomplished. This fall they will tackle it again, hoping the fall moisture may assist them.

One effective method the experimenters would like to use to stop drifting is by spreading straw but this year it is out of the question. With the shortage of feed and straw for cattle, the little there may be is at a premium for feed. The straw is spread on a windy day. It is thrown in the air and the wind does the spreading. Light discing ties it down to the ground.

Farmers Heartened

The choice of the Cadillac area was made after a survey last summer. It was the most daring venture the government's land reclamation programme embraced. It gave heart to farmers in the area who had tackled "strip farming" as one solution to the drifting problem. About 25 to 30% of the farmers are following this method, most of them with some success.

"No doubt a great deal of this can be attributed to our efforts but it must also be said that in those areas where it is most prevalent it was chiefly due to the efforts of the farmers and merchants themselves. Such is the case with the Shaunavon and Limerick strip farming associations, where a large percentage of farmers are following this method," declared P. J. Janzen, agricultural supervisor of the Dominion Experimental Farm here. "Those who did, have managed to grow a crop each year while their neighbors' crops were completely destroyed by soil drifting. Farmers everywhere are watching, so we just cannot fail."

More Tourists Flocking Into Coast Centres

British Columbia Has Bigger Season Than Ever Before

VANCOUVER. — Long ago converted by the success of adjacent states to the value of tourist trade, British Columbia is cashing in from this source of wealth this season to a greater extent than ever before.

Thanks in part to the publicity given to the Vancouver Golden Jubilee, but due to a greater extent to the consistent and vigorous campaigning for travel, British Columbia cities will have by far the greatest number of visitors from the Prairie Provinces this year, and also a record flow of American tourists, chiefly by automobile, but also by train and other means of transportation.

Vancouver alone, according to the records of the publicity bureau, will have more than 650,000 tourists this summer, representing an expected expenditure within the city of approximately $7,000,000.

The movement of automobile tourists northward from the United States has been enormous this year, with more than 10,000 more cars passing the border during the first 7 months of the year than during the corresponding period of 1935.

Apart from the work of the individual cities and by the transportation companies, hotels and tourist bureaus, one of the chief agencies for the tourist boom into the Pacific Northwest has been the international organization known as the Evergreen Playground Association representing British Columbia, Oregon and Washington. The germ of the idea had its genesis in 1925 when Vancouver and Bellingham, Wash., interests formed a co-operative tourist organization which was later joined by other northwest cities, such as Victoria, Seattle, Portland, Tacoma.

The plan was to capitalize on the huge annual travel to and from California and divert a part of it to the Northwest. Last year it was estimated that $50,000,000 in tourist money was brought into the Northwest as a result of the advertising.

Vancouver Bridge Project To Require 2 Years Work

From Our Own Correspondent

VANCOUVER.—The British financial syndicate preparing to build a bridge across the First Narrows at the entrance to Vancouver harbor expects to have the project completed within 2 years.

A. J. T. Taylor, one of the original sponsors of the plan, is now in Vancouver, and he gave to The Financial Post new details concerning the structure.

He says the subdivision being elaborately laid out on the higher levels of West Vancouver as a "feeder" for the bridge will in no sense be restricted to residents of large means. Eleven hundred acres of land have been carved out of the forest and made available for cultivation, but of this area only 700 acres will be available for purchase. The rest of the land will be absorbed by a golf course, roads and parks.

The smallest individual residential sites will be less than an acre in area. Many homes will cost between $10,000 and $15,000 as a minimum and while building restrictions will be imposed, they will not be excessively onerous for the resident of moderate means.

Less Than 40 Delegates Attend Municipal Meet

From Our Own Correspondent

VANCOUVER.—Dissolution of the Union of Canadian Municipalities and its replacement by a federation composed of delegates from various provincial municipal unions is urged by Mayor David Leeming of Victoria as a result of the unrepresentative attendance at the annual meeting held here a few days ago.

When less than 40 delegates appeared for the opening session, most of them from British Columbia, Mayor Leeming was outspoken in his declaration that governments would be quick to take advantage of such apparent apathy and scorn any action that might be taken by the union. An organization whose annual meeting was attended by only 2 or 3 dozen delegates could hardly call itself a nation-wide body. It might as well disband, said Mayor Leeming.

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